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The Cartoon That Caused Convulsions

Hundreds in Japan Fall Ill From Viewing Animated TV Show

Compiled by Our Staff From Dispatches

TOKYO — Colors exploded on television screens across Japan, a cartoon character flashed his sparkling eyes, and hundreds of young viewers were felled by muscle spasms and nausea.

More than 700 viewers of TV Tokyo's hit cartoon "Pokemon" suffered epilepsy-like seizures about 20 minutes into Tuesday night's show and were rushed to hospitals, according to the national broadcaster, NHK.

The Home Affairs Ministry said that 208 people ranging in age from three to 58 were still in hospitals on Wednesday. Dr. Yukio Fukuyama, an expert on juvenile epilepsy, said the seizures, albeit unpleasant, were not dangerous and that spontaneous recovery was the norm.

A psychologist, Kenta Kunimoto, said there was clinical evidence that epilepsy-like seizures could be triggered by the kind of flashing lights shown in the cartoon. "This could be an epilepsy attack resulting from optical stimulus, judging from clinical samples in which flickering lights have triggered spasms or unconsciousness," he said.

The broadcaster said it would cancel the segment on 30 other stations that were scheduled to show it.

The bizarre sickness prompted officials to consider new programming guidelines, and many Japanese mothers expressed concern that wildly popular cartoons could be harmful. "I'm worried," said Keiko Murakami, who watched the program with her three children at their suburban Tokyo home, although no one in the family got sick. "I have to warn my kids that the program could be dangerous."

TV Tokyo would not say which scene in the show sickened the children. But viewers and news reports said a vividly colored explosion mixed with the strobe-light flashing of a character's eyes seemed to trigger the dramatic reaction.

"It gave me a headache," said Hiroshi Kobari, 14, according to a report in the Mainichi Shimbun, a leading Japanese daily. "Lights kept flickering in my eyes, then I felt sick. It was like getting carsick."

The "Pokemon" show, a Japanese rendering of "pocket monsters," is

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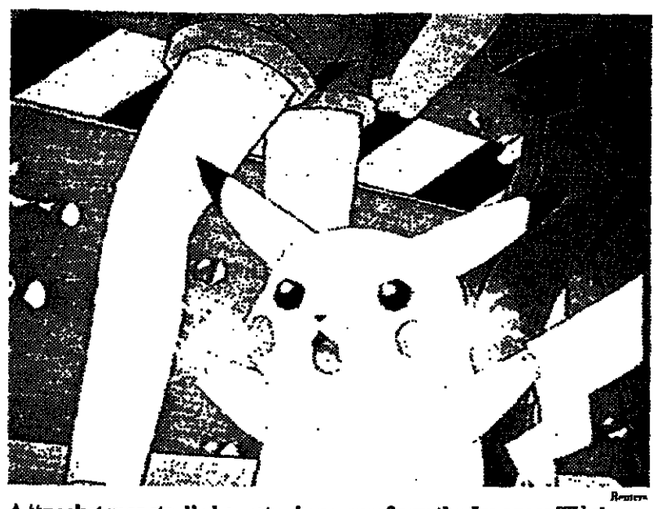

Reuters

A "pocket monster" character in a scene from the Japanese TV show.

Hashimoto Acts to Drag Japan Out of Doldrums

He Offers Stimulus Plan, Including Income Tax Cuts

By Stephanie Strom
New York Times Service

TOKYO — Prodded by the stock market, Washington and rebels in his own party, Prime Minister Ryutaro Hashimoto made a sudden U-turn on Wednesday and announced a sweeping economic stimulus package that included income tax cuts of 2 trillion yen, or more than $15 billion, and public spending measures totaling nearly 2 trillion yen.

At the same time, Tokyo intervened decisively on the foreign-exchange mar-

In the Asian financial crisis, Japan is the lion that squeaks. Page 4.

ket, pushing down the dollar in a bid to restore confidence in the yen.

It was the first time in more than five years that Japan had sold the dollar, which suffered its biggest one-day drop in three years, falling nearly 6 yen, to trade as low as 125.78 yen. (Page 13.)

Mr. Hashimoto's unexpected change of heart took everyone by surprise, including the powerful bureaucrats at the Finance Ministry.

"I knew at 10:30 this morning, same as you," said Eisuke Sakakibara, vice minister for international affairs at the Finance Ministry, quickly adding, "The leadership Mr. Hashimoto has taken this morning was brilliant."

The package includes 2 trillion yen in income tax cuts, roughly the same amount of spending for public works, and 840 billion yen in tax cuts for corporations, land owners and investors, which Mr. Sakakibara estimated should boost economic growth by at least 1 percent.

Private economists had less rosy projections of the package's impact, but conceded that any sign of movement on the part of the Japanese government would be greeted with relief.

"It's about 1 percent of gross domestic product, but that's really not the point," said Ron Bevacqua, an economist at Merrill Lynch & Co. in Tokyo. "Given how pessimistic everyone has been, this may actually give people some sense of hope. It's about sentiment as much as anything."

In Washington, the White House press secretary, Michael McCurry, said President Bill Clinton had told Mr. Ha-

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Kazuhiro Noguchi/Agence France-Presse

Prime Minister Ryutaro Hashimoto in Tokyo on Wednesday announcing public spending measures and more than $15 billion in income tax cuts.

U.S. Presses Arafat to Curb Hamas

Detailed Anti-Terrorist Plan Is Meant to Measure His Commitment

By Steven Erlanger
New York Times Service

PARIS — As the Israeli cabinet struggles to produce the "significant and credible" withdrawal from the West Bank that Washington is demanding, the United States is pressing Yasser Arafat, the Palestinian leader, for a detailed, measurable, written plan to root out the military infrastructure of the radical Hamas movement, senior U.S. and Israeli officials say.

The Palestinian plan, which has passed through at least one draft, must go beyond vague promises of security cooperation, the officials say.

It is meant to contain specific goals and benchmarks that can be checked off as a way to measure Mr. Arafat's commitment to fight such radical Palestinian movements as Hamas, which opposes the peace process and has sent suicide bombers to kill Israelis.

The U.S. secretary of state, Madeleine Albright, arrived in Paris on Wednesday for another round of meetings Thursday with Prime Minister Benjamin Netanyahu of Israel and Mr. Arafat, less than two weeks after her last talks with them.

While no one expects an agreement on a specific withdrawal now, given the political turmoil in the Israeli cabinet, Mrs. Albright is hoping to make further substantive progress that could produce an agreement — and a Netanyahu-Arafat meeting to announce it — by mid-January. In her meeting with Mr. Arafat, she will be pressing him to complete this written security commitment, officials say.

[Mr. Netanyahu arrived for the meeting without the concrete proposals for a pullout that the United States has been demanding, Reuters reported from Jerusalem. After a debate — the third in four days — the Israeli cabinet issued a statement saying that Mr. Netanyahu would discuss demands in general terms only.]

The Israelis say that the extent of any withdrawal from the West Bank is dependent on their level of confidence in Mr. Arafat's commitment to fight ter-

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'Bird Flu' Outbreak Poses Puzzle for Health Experts

Can Disease Be Passed On Between Humans?

By Keith B. Richburg
Washington Post Service

HONG KONG — New border controls went into effect Wednesday and fresh-food markets were being thoroughly scrubbed as health officials scrambled to contain rising fears about a mysterious, possibly fatal, avian influenza known as "bird flu."

There have now been nine confirmed cases of the virus in Hong Kong — two of them fatal — including five children, a teenage girl and three adults. Four of the victims are believed to have contracted the virus after exposure to live chickens, either at a kindergarten zoo or in fresh-food markets.

The latest two victims, a 2-year-old boy and his 3-year-old sister, came down with the symptoms after playing with their infected cousin, who was taken to a local hospital with the virus last week.

Those two most recent cases have raised fears among officials and worried citizens that the killer flu can be transmitted between humans. Health experts said they had no firm evidence that the two youngsters contracted the virus from their cousin, but they said it remained a possibility. The elder child was also known to play in a parking garage that was sometimes filled with birdcages, health officials said.

The main worry here is that Hong Kong could be facing a widespread pandemic similar to the "Hong Kong flu" of 1968 that began with a single case reported in July to the World Health Organization. By December, that pandemic had spread worldwide, killing 46,500 people.

This current "bird flu," with only nine victims, is so far too contained to be considered an epidemic, and officials are cautioning against any panic. But two conditions of a pandemic are present, with "bird flu" representing a new strain of influenza, and with people lacking any natural resistance to it.

The key unresolved question, experts say, is whether the virus can be efficiently transmitted between humans, which is why the case of the two young siblings has attracted intense interest from scientists and health officials studying the flu and its potential to spread.

"We are still tracing it," said Pauline Ling, a health department spokeswoman. "People believe they got it from each other. But there's also a chance that they played in the same place and touched the same things and got it separately." She said it was uncertain yet, without further tests, whether the youngsters marked the first case of human-to-human transmission, but she added, "We don't rule out that possibility."

Meanwhile, stepped-up prevention measures Wednesday took effect, including close monitoring of poultry imports coming into Hong Kong from

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South Korea Election Hinges on Stressed-Out Youths

By Mary Jordan and Steven Mufson
Washington Post Service

SEOUL — In the last feverish hours of campaigning for the South Korean presidency, a shy, wooden 62-year-old former Supreme Court judge, Lee Hoi Chang, who is the majority party candidate, waded through crowds on Student Boulevard. He shook hands with college students, and his handlers pumped up the crowd with rap music.

Across town, the opposition candidate, Kim Dae Jung, a 73-year-old grandfather, last week arranged a video with the pop star Michael Jackson. Many of his 1,000 student computer jocks were surfing the Internet to reach young voters as he stumped in a favorite shopping district of the young.

With more than half of all voters here under the age of 40 and half of the entire population under 30, the election Thursday is expected to be decided in large part by the youth of South Korea.

Perhaps even more importantly for this country at an economic crossroads, it is young people who must steer the economy away from its traditional reliance on government and giant conglomerates toward a more creative and open economy that the United States and the candidates are advocating.

That journey will involve some pain, and how this huge segment of the population will react remains an unknown. While many older Koreans say that a country that rose from the rubble of the 1950-53 Korean War can overcome the current economic crisis, the majority of the population was not alive at that time.

"They have no memory of suffering, starvation or hunger," said Park Shin Il, a spokesman for Mr. Lee.

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Winnie Mandela's Return To Party Politics Fizzles

By Lynne Duke
Washington Post Service

MAFIKENG, South Africa — Winnie Madikizela-Mandela withdrew from the race for deputy president of South Africa's governing party on Wednesday, paving the way for the smooth transition from the era of Nelson Mandela to Thabo Mbeki.

Before a surprisingly weak show of hands could be counted in her nomination from the floor, Mrs. Madikizela-Mandela announced her withdrawal as a candidate for the African National Congress deputy presidency in a race that had pitted her against the party establishment led by her former husband, President Mandela.

"To those comrades who nominated my name, I apologize for having to decline," she said. Cheers rose in what delegates later said was their show of appreciation that the party had avoided a divisive showdown. Once known as the "mother of the nation" because of her fierce defiance of the regime of white-minority rule, Mrs. Madikizela-Mandela was accused before the nation's Truth Commission two weeks ago of committing brutalities during the apartheid era.

With President Mandela, 79, stepping down from the party presidency and Mr. Mbeki, his deputy, rising to replace him, Mrs. Madikizela-Mandela's withdrawal allowed the shift of Jacob Zuma from the party chairmanship to its deputy presidency.

In elections during the party's 50th national conference, held in Mafikeng, 180 miles (300 kilometers) northwest of Johannesburg, these uncontested nominations mark a long-anticipated moment in the 85-year-old ANC's transition from liberation movement to governing party after its victory in 1994 in the nation's first all-race voting.

Mr. Mandela's stepping down from party leadership also marks the first

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J. Scott Applewhite/The Associated Press

President Bill Clinton during his marathon news conference at the State Department.

On, and On, and On

Clinton Demonstrates His Vigor In Longest News Conference

By John M. Broder
New York Times Service

WASHINGTON — It was, even by the standards of this most loquacious of presidents, an exceptional performance.

President Bill Clinton loosed a deluge of words on Tuesday intended to demonstrate his vigor, his relevance and his command of subjects large and small, near and far, from the role of women in the U.S. military to the membership of Turkey in the European Union. Mr. Clinton's 94-minute news conference was, by all available evidence, the longest ever of any president.

From his opening remarks to his closing statement, Mr. Clinton took pains to project an image of action and en-

NEWS ANALYSIS

gagement, an obvious answer to a spreading sense that, as he completes his fifth year in office, he has lost some of his storied zest for governing.

Not so, the president insisted.

"We had a good year because we're all working hard," Mr. Clinton said in response to a question about his perceived lame duck status and his more relaxed style of leadership. "And all I can tell you is, in '98 it will be a more vigorous year, and perhaps you'll have questions about that. But we intend to have a very, very active time."

When the marathon at the Dean Acheson Auditorium at the State Department was over, the most conspicuous impression was not what the president said, but how much of it he said. He spent several minutes, for instance, telling how he came up with the name "Buddy" for his new Labrador puppy.

Mr. Clinton did argue in defense of affirmative action, and he discussed an array of other topics as diverse as Vice President Al Gore's political prospects and the environmental problems in Los Angeles, repeatedly ignoring his aides' entreaties to stop.

Michael McCurry, the White House press secretary, joked that Mr. Clinton had conducted the November news conference, the December news conference and a briefing for foreign journalists in one exhausting session.

The president's opening statement was a recitation of what

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Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
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Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zm.$40.00

The Dollar

New York	Wednesday @ 4 P.M.	previous close
DM	1.774	1.7804
Pound	1.6507	1.6355
Yen	127.155	130.77
FF	5.9391	5.9659

The Dow

	Wednesday close	previous close
-18.9	7957.41	7976.31

S&P 500

change	Wednesday @ 4 P.M.	previous close
-2.5	985.54	988.04

AGENDA

Polish Lawmakers Revive Tough Anti-Abortion Law

WARSAW (Reuters) — Polish legislators reimposed a tough anti-abortion law Wednesday, pleasing the Roman Catholic Church and appalling many women's rights activists.

The lower house of Parliament, dominated by center-right parties since September elections, voted to scrap a law that had allowed abortion for such reasons as economic hardship.

Abortion will now be allowed only in cases of irreparable damage to the fetus, serious danger to the life or health of the mother or pregnancy resulting from a crime.

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The IHT on-line www.iht.com

Is Social Unrest Inevitable?/ **The IMF as Scapegoat**

Among South Koreans, a Storm of Resentment Is Gathering Fast

By Andrew Pollack
New York Times Service

SEOUL — Kim Kyoung Ae scraped by for 11 years on her modest wages as an assembler of telephones at a factory near Seoul. But in October, the factory was shut down by Haitai Group, the troubled conglomerate that owns it, leaving Miss Kim facing the abyss.

Miss Kim, who is divorced and has a daughter in junior high school, said her savings would run out in a month. Her retirement check, expected to be $10,000, won't last long either.

Her daughter was forced to quit the after-school tutoring that most South Koreans consider almost as important as food and shelter. While Miss Kim won't be forced into the street — she lives in her mother's house — she has stopped contributing to household expenses.

"If I don't get a job soon, I'm in big trouble," said Miss Kim, 46. "But the fact is there are no jobs out there for a woman my age. Even when I go to the unemployment office, they treat me like a beggar because I've been there so many times."

The specter of widespread unemployment is hovering over South Korea, a country that has barely known joblessness since the last oil shock, and one in which workers take pride in their rise from mud huts to the middle class in a single generation. Lifetime employment is considered the norm in large companies and not earning one's own keep has been viewed as a dishonor.

The government estimates the unemployment rate will rise from about 2.5 percent this year to 3.9 percent next year, while some analysts think it will climb as high as 7 percent.

Even a 5 percent level would be the highest since the last big recession in the early 1980s. With 1 million to 1.5 million people out of work and with food and fuel prices rising because of the depreciation of the currency, the won, the stage could be set for massive social unrest, some analysts say.

In the third quarter, about 29,800 people lost their jobs, double the number in last year's third quarter, according to the Ministry of Labor. In 19,700 of those cases, the worker's company failed. About 5,900 people retired voluntarily and 4,200 were laid off.

Woo Ke Hwan, for instance, spent eight years at a company in Seoul that makes cuckoo clocks, but in October it said it needed to cut workers. "We took it as a sign that the older people should leave," he said.

So far, the only jobs that Mr. Woo, 55, has been able to find are two to three hours from Seoul. His wife, he said, is going to start looking for a job, something not common here for people who have never been in the work force. "She's got to do whatever she can do," he said. "She just can't sit home anymore."

Kim Jung Woon, 43, left his job as a chef in a Seoul hotel in September rather than dismiss three subordinates, as he was ordered to do. After three months of searching, he found a job in a resort so far from Seoul that he will have to live there and visit his family on weekends.

But while joblessness is on the rise, the vast majority of people is still employed — albeit increasingly worried. The big question, not just for South Korea but for the foreign bankers and investors the country is depending on for rescue, is how many people will actually be laid off.

Many economists would say that companies must cut workers if people are to be redeployed to more productive endeavors and the economy is to regain its dynamism. But under South Korean law, it is illegal to lay off workers unless a company is under extreme duress, and then only if it first consults with the workers. Many companies are first cutting investments, then cutting salaries and only as a last resort cutting workers.

Moreover, the South Korean public seems unwilling to bear the pain of such a redeployment, and the government is doing what it can to avoid it. Kia Motors Corp., a bankrupt carmaker, was taken over by the state and is still producing cars in a glutted market. The government also nationalized two distressed banks to keep them from closing.

Kim Dae Jung, a front-runner in the presidential election this week, is promising a six-month moratorium on layoffs if he is elected.

ONE reason for the public aversion to layoffs is that the government's social safety net is so skimpy. Unemployment insurance did not exist until 1995. Now it pays dismissed workers 50 percent of their salaries for 30 to 210 days, depending on how long they worked. There is little in the way of job retraining.

Another reason is fear of labor unrest in a nation with a history of long and violent strikes.

A year ago, sensing the beginning of economic troubles, the government enacted a law making it easier for companies to dismiss workers. The law's passage led to nearly a month of nationwide strikes that crippled automobile production and shipbuilding. The government eventually postponed the law's effective date until March 1999. But with the economy heading into a slump, companies are pressing again to have restrictions on layoffs eased before then.

So far, the unions have not taken to the picket lines again. Kim Tae Hyun, director of the planning department at the Korean Confederation of Trade Unions, which led the strikes a year ago, said the group first wanted employers to shorten working hours. At the Halla Group's shipyard, said a union official, So Hyoung Lim, the union abandoned plans to strike after the company declared bankruptcy.

South Korea is not as much of a workers' paradise as its low unemployment rate might suggest. The government counts part-timers who work only a couple of hours a week as employed, said Park Kyong Ki, director of the Institute for Labor and Management at Sogang University. And it ignores a million or more "disappointed unemployed," those who have given up looking for a job.

INDEED, despite the cascade of corporate bankruptcies this year, South Korea's official unemployment rate dropped from 3.4 percent in March to 2.1 percent in October. But the true unemployment figure, Mr. Park said, might well be more than 10 percent.

Wages and the right of workers to organize were suppressed during South Korea's three decades of military rule. But when democracy came in 1987, workers' pent-up rage exploded into strikes. Since then, wages have soared 15 percent a year, bringing many workers into the middle class.

The opening of the Halla shipyard promised to bring some of the economic miracle to the southeast corner of the country, the nation's poorest region. But with the bankruptcy, the miracle, late in coming, might be early in departing, leaving workers feeling betrayed.

"When the company told us to work one hour, we worked two hours," said a welder, Kim Myong Ho, 38. "All the work we did improving the economy of our hometown has gone to waste. We feel empty inside."

But the anger is aimed less at the company than at the International Monetary Fund, which is setting terms for an international financial bailout of South Korea. Many workers say the IMF created the climate in which bankers would not renew Halla's loans, putting their livelihoods in jeopardy.

Lim Sung En, a manager at the shipyard, said: "From the perspective of a worker, I think the IMF has done too much harm and no good."

Yun Jai Hyoung/The Associated Press

A South Korean worker protesting the International Monetary Fund's rescue plan, which some say has contributed to worsening unemployment.

Europeans Threaten Ukraine on Executions

The Associated Press

KIEV — The Council of Europe will suspend Ukraine from its Parliamentary Assembly next month unless the government officially announces a moratorium on executions.

The suspension, threatened in a statement released in Kiev on Wednesday, would punish Ukraine for flouting its pledge to halt executions after joining the European human rights body at the end of 1995.

Ukraine has executed at least 180 people since then, including at least 11 this year, some of them after the Council of Europe issued a stern warning in January.

"We always prefer political dialogue to sanctions, but there are limits," Renate Wohlwend, author of a parliamentary assembly report on the death penalty, was quoted as saying in the statement.

Ms. Wohlwend visited Ukraine last month and was unsatisfied with the widely varying information she received from officials on when — and even whether — executions had been halted.

A Council of Europe team that visited last week said it believed President Leonid Kuchma's statement that no executions had been carried out since March of this year.

The council's statement said that either Mr. Kuchma or the speaker of Parliament, Olexander Moroz, must give official notice of the moratorium, but the chances either will do so appear unlikely.

"The announcement of a moratorium does not fall under the authority of the president," Mr. Kuchma's chief of staff, Yevhen Kushnaryov, said Wednesday.

Mr. Kushnaryov stressed that Mr. Kuchma has not rejected a clemency request since late last year and has submitted legislation banning the death penalty to Parliament.

It is up to Parliament, the Verkhova Rada, to pass it, Mr. Kushnaryov said.

But Parliament has blocked Mr. Kuchma's efforts to ban capital punishment.

Mr. Moroz has repeatedly said lawmakers are highly unlikely to pass such legislation before Parliamentary elections in March.

The maximum prison sentence in Ukraine is 15 years, and opinion polls have shown most Ukrainians favor the death penalty or believe it cannot be rescinded until crime rates decrease.

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TRAVEL UPDATE

Greece Girding for General Strike

ATHENS (Reuters) — Greece was bracing Wednesday for a 24-hour labor strike that was expected to affect public services, including transport, and many industries beginning at midnight.

The General Confederation of Greek Workers, the country's largest labor organization, called the walkout to protest salary and tax levels and the Socialist government's pared-down 1998 budget.

Transportation was expected to be especially hard-hit by the walkout. Urban buses, trolleys and trains as well as national railroads were expected to be out of service for most of the day. Both international and domestic flights were expected to be disrupted, since air-traffic controllers planned to participate in the strike for parts of the day.

Snowfall Disrupts Traffic in France

PARIS (AFP) — A heavy overnight snowfall and freezing rain disrupted traffic in France on Wednesday, causing huge traffic tie-ups around Paris and jammed roads throughout much of the rest of the country.

Bumper-to-bumper traffic stretching for a total of 262 kilometers (162 miles) on various roads surrounding the French capital was reported during the morning rush hour, with the A13 highway completely blocked by thick snow.

Yuri Luzhkov, the mayor of Moscow, proposed to a high-ranking Israeli official that the Moscow city government and Israel's state agencies set up an organization to develop tourism, the Interfax news agency said Wednesday. Mr. Luzhkov told Israel's Minister of Immigrant Absorption, Yuli Edelstein, that a joint organization would "allow us to manage the flow of tourists attending celebrations in Israel of the 2000th anniversary of Christianity." *(AFP)*

Corrections

Because of an editing error, a front-page photo caption in Wednesday's editions misidentified the Turkish foreign minister. He is Ismail Cem.

An article in the Business/Finance section on Wednesday about the World Intellectual Property Organization was published in error. The year-old article was taken from The New York Times site on the Internet, where it erroneously appeared this week.

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Soldeu	30	50	Good	Some	Pwdr	17/12	*40a of lifts and 30a of pistes open*
Austria							
Ischgl	30	80	Good	Open	Pwdr	15/12	*33 lifts open, generally good skiing*
Kitzbuhel	15	90	Good	Some	Pwdr	15/12	*16/60 lifts and 19/58 pistes open*
Lech	65	160	Good	Open	Pwdr	14/12	*30/64 lifts open, great skiing*
Mayrhofen	10	70	Good	Closed	Pckd	15/12	*12 lifts and 55km open*
Obelgurgl	70	110	Good	Open	Pwdr	15/12	*15 lifts open, very good skiing*
Saalbach	40	70	Good	Open	Var	15/12	*good skiing on open runs*
St. Anton	45	170	Good	Open	Pwdr	14/12	*19/62 lifts open, very good skiing*
Canada							
Lake Louise	20	30	Fair	Art	Pckd	16/12	*7 lifts open, manmade snow*
Whistler	15	140	Good	Some	Var	16/12	*20cm new snow; good skiing*
France							
Alpe d'Huez	25	85	Good	Art	Var	17/12	*fresh snow; open pistes skiing well*
Les Arcs	30	100	Good	Some	Var	12/12	*snow good above 2000m*
Avoriaz	35	60	Good	Open	Var	12/12	*24 pistes open; good skiing*
Chamonix	5	70	Fair	Closed	Var	13/12	*limited skiing; very windy*
Courchevel	35	50	Fair	Open	Pwdr	13/12	*21/67 lifts and 17/101 pistes open*
Les Deux Alpes	30	80	Good	Art	Var	17/12	*dusting of new snow; glacier good*
Megeve	10	60	Fair	Some	Var	15/12	*some good skiing available*
Meribel	35	50	Fair	Art	Var	12/12	*open pistes skiing well*
La Plagne	35	120	Good	Open	Var	12/12	*24/68 lifts and 33/98 pistes open*
Serre Chevalier	20	90	Good	Art	Var	12/12	*60cm snow at 2000m*
Tignes	60	130	Good	Open	Var	17/12	*46/100 lifts open, val d'Is. link open*
Val d'Isère	40	60	Good	Art	Var	17/12	*some fresh snow; open pistes good*
Val Thorens	40	80	Good	Open	Var	13/12	*best snow in 3 valleys; good skiing*
Germany							
Garmisch	10	230	Good	Closed	Pckd	15/12	*17/34lifts open,ski/upper runs good*
Italy							
Bormio	0	150	Good	Art	Var	15/12	*9/16 lifts and 25/53km ofopen*
Cervinia	10	130	Good	Art	Var	15/12	*10/25 lifts open*
Cortina	20	90	Good	Open	Var	15/12	*good skiing on open pistes*
Courmayeur	15	30	Fair	Open	Var	17/12	*12/25 lifts open, some good skiing*
Livigno	30	70	Fair	Open	Var	17/12	*open pistes skiing well*
Selva	40	100	Good	Open	Var	15/12	*most lifts and 140km ofopen; good*
Norway							
Geilo	30	35	Fair	Open	Pckd	12/12	*7/18 lifts open, ok on open runs*
Switzerland							
Crans Montana	5	40	Fair	Closed	Var	17/12	*snow ok above 2200m*
Davos	40	100	Good	Some	Var	14/12	*30/53 lifts open, good skiing*
Klosters	45	105	Good	Some	Var	14/12	*most lifts open, good dec. skiing*
Murren	50	80	Good	Some	Pwdr	15/12	*10/12 lifts open, good snow (windy)*
Saas Fee	25	340	Good	Closed	Pwdr	15/12	*13/25 lifts and 11/39 pistes open*
St. Moritz	30	85	Good	Art	Var	14/12	*good skiing on well groomed pistes*
Verbier	5	100	Good	Closed	Var	14/12	*good skiing available above 2200m*
Wengen	25	50	Good	Some	Pwdr	15/12	*10 lifts open, runs good*
Zermatt	10	65	Good	Closed	Var	17/12	*fresh snow; glacier good but cold*
U.S.							
Aspen	70	85	Good	Open	Pckd	16/12	*5/6 lifts and 58/77 runs open*
Breckenridge	75	85	Good	Open	Pckd	16/12	*19/19 lifts and 63/139 trails open*
Crested Butte	65	85	Good	Open	Pckd	16/12	*11/14 lifts open, 13cm new snow*
Mammoth	150	210	Good	Open	Pckd	15/12	*20/30 lifts open, very good skiing*
Park City	80	85	Good	Open	Pckd	16/12	*12/14 lifts and 47/83 trails open*
Vail	85	85	Good	Open	Pckd	16/12	*25/30 lifts and 85/174 runs open*
Winter Park	90	115	Good	Open	Pckd	16/12	*17/22 lifts and 107/121 runs open*

Key: L,U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art, Artificial snow. *Reports supplied by the Ski Club of Great Britain.*

WEATHER

Europe

	Today High C/F	Today Low/W	Tomorrow High C/F	Tomorrow Low/W
Algarve	17/62	12/53 pc	15/59	8/46 pc
Amsterdam	11/52	9/48 r	10/50	7/44 r
Ankara	-7/20	-15/6 pc	-3/27	-6/22 pc
Athens	9/43	3/37 r	11/52	8/46 s
Barcelona	16/61	9/48 r	14/57	6/43 sh
Belgrade	1/34	-2/29 pc	8/46	4/39 c
Berlin	4/39	2/35 pc	8/46	7/44 sh
Brussels	12/53	11/52 r	11/52	7/44 sh
Budapest	-1/31	-1/31 pc	8/46	7/44 c
Copenhagen	4/39	2/35 s	8/46	6/43 r
Costa Del Sol	18/64	13/55 c	15/61	7/44 pc
Dublin	12/53	6/46 pc	10/50	5/43 sh
Edinburgh	8/46	7/44 r	9/48	4/39 sh
Florence	12/53	6/46 sh	14/57	8/46 c
Frankfurt	3/37	1/34 pc	8/46	7/44 sh
Geneva	9/48	5/41 sh	11/52	8/41 r
Helsinki	0/32	-8/18 pc	-3/27	-4/25 pc
Istanbul	0/32	-4/25 pc	5/41	4/39 pc
Kiev	-4/25	-9/16 pc	-3/27	-3/27 c
Las Palmas	23/73	17/62 c	23/71	18/64 s
Lisbon	12/53	9/48 r	11/52	6/43 c
London	13/55	9/48 c	11/52	8/46 sh
Madrid	12/53	7/44 sh	11/52	0/32 c
Mallorca	18/68	10/50 r	18/64	6/43 c
Milan	4/39	2/35 sn	9/48	5/41 c
Moscow	-5/27	-12/11 s	-11/13	-7/20 pc
Munich	8/46	3/37 pc	11/52	4/39 c
Nice	13/55	12/53 r	17/62	11/52 c
Oslo	4/39	-4/25 pc	2/35	0/32 pc
Paris	10/50	7/44 r	9/48	4/39 sh
Prague	4/39	2/35 pc	8/46	6/43 sh
Reykjavik	3/37	-2/29 c	8/46	6/43 r
Riga	3/37	-2/29 s	1/34	-1/31 pc
Rome	17/62	11/52 c	18/64	11/52 c
St. Petersburg	-1/31	-10/14 pc	-7/20	-9/16 pc
Stockholm	4/39	-2/29 pc	3/37	1/34 pc
Strasbourg	12/53	9/48 pc	12/53	7/44 sh
Tallinn	2/35	-5/24 pc	-6/29	-8/18 pc
Tbilisi	-1/31	-4/25 sn	1/34	-6/22 pc
Venice	6/43	5/41 r	11/52	7/44 c
Vienna	1/34	-1/31 c	8/46	7/44 c
Warsaw	-1/31	-9/27 pc	4/39	4/39 pc
Zurich	8/46	6/43 pc	10/50	7/44 c

Middle East

Abu Dhabi	26/79	14/57 s	29/77	14/57 s
Beirut	19/64	10/50 pc	7/44	4/39 pc
Cairo	17/62	9/48 pc	14/57	5/41 pc
Damascus	10/50	2/35 sh	4/39	-3/27 sn
Jerusalem	8/46	3/37 r	4/39	-2/29 pc
Luxor	20/68	5/41 s	18/64	3/38 s
Riyadh	20/68	12/53 s	21/70	9/48 pc

Africa

Algiers	20/79	14/57 pc	22/71	8/46 c
Cape Town	21/70	13/55 pc	27/80	19/66 s
Casablanca	19/66	12/53 c	18/61	9/48 pc
Harare	27/80	19/59 pc	29/79	9/48 pc
Lagos	33/99	23/73 pc	33/99	24/75 pc
Nairobi	27/80	16/61 c	23/73	14/57 c
Tunis	23/73	13/55 pc	23/77	14/57 pc

Forecast for Friday through Sunday, as provided by AccuWeather.

North America
A large storm will move northeast from the southwestern United States, spreading locally heavy rain across the southern Plains and Midwest. The rest of the nation will be dry with temperatures near to above normal. Canada will remain cold across Quebec and Labrador.

Europe
Very cold air will remain in northern Russia and Scandinavia Friday through Sunday. An active storm track will bring heavy rain to southern Italy and the Balkans. Elsewhere, there will be some sunshine and temperatures near the seasonal averages for this time of year.

Asia
Very warm for this time of the year across the western Pacific Rim, including the Philippines and Japan. A vigorous storm will bring locally heavy rain to south China, South Korea, and Japan Friday; turning cooler over the weekend. Still very cold over Siberia and Mongolia.

Asia

	Today High C/F	Today Low/W	Tomorrow High C/F	Tomorrow Low/W
Almaty	-2/28	-10/14 sn	1/34	-7/20 sn
Bali	34/93	23/73 pc	33/91	23/73 pc
Bangkok	33/91	22/71 pc	33/91	23/73 pc
Beijing	1/34	-1/31 s	8/46	-1/31 pc
Bombay	28/82	18/64 s	29/84	19/66 sh
Calcutta	23/73	10/50 s	23/73	13/55 s
Chiang Mai	32/89	19/61 pc	31/88	16/61 s
Colombo	29/84	23/73 sh	29/84	23/73 s
Hanoi	27/80	21/70 pc	27/80	19/66 pc
Ho Chi Minh	34/93	22/71 s	33/91	23/73 pc
Hong Kong	24/75	19/66 pc	25/77	19/66 pc
Islamabad	18/64	4/39 pc	15/59	2/35 c
Jakarta	29/84	23/73 r	29/84	24/75 pc
Karachi	28/79	9/48 s	27/80	13/55 s
K. Lumpur	31/88	23/73 r	30/86	24/75 r
K. Kinabalu	29/84	24/75 r	28/82	24/75 sh
Manila	29/84	19/64 pc	29/84	22/71 pc
New Delhi	22/71	4/39 s	23/73	5/41 s
Phnom Penh	32/89	22/71 s	31/88	23/73 pc
Phuket	33/91	23/73 pc	33/91	22/71 pc
Rangoon	32/89	18/64 s	32/89	18/64 s
Seoul	9/48	-1/31 s	7/44	0/32 c
Shanghai	10/61	11/52 pc	13/55	6/46 r
Singapore	29/82	23/73 r	29/82	24/75 r
Taipei	23/71	17/62 pc	25/77	19/66 pc
Tokyo	14/57	9/48 pc	14/57	13/55 pc
Vientiane	33/91	17/62 pc	32/89	16/61 pc

North America

Anchorage	-7/20	-9/16 sf	-6/22	-13/9 sn
Atlanta	17/62	4/39 s	19/61	8/41 pc
Boston	8/43	-1/31 s	11/52	1/34 pc
Chicago	6/46	1/34 c	7/44	-6/24 pc
Dallas	21/70	5/43 s	15/59	7/44 pc
Denver	9/48	-4/25 c	-3/27	-13/9 sn
Detroit	8/46	1/34 c	8/41	-3/27 pc
Honolulu	28/79	18/64 pc	29/82	20/68 pc
Houston	20/68	10/50 s	22/71	12/53 s
Los Angeles	19/66	7/44 pc	20/68	4/39 s
Miami	23/73	12/53 s	24/75	16/61 pc
Minneapolis	4/39	-3/25 c	1/34	-11/13 pc
Montreal	-1/31	-3/29 pc	4/39	-4/25 pc
Nassau	23/73	14/57 s	23/73	17/62 pc
New York	10/50	4/39 pc	12/53	6/43 pc
Orlando	21/70	8/46 s	22/71	10/50 pc
Phoenix	20/68	9/48 pc	14/57	4/39 c
San Fran.	13/55	8/43 s	12/53	4/39 s
Seattle	6/43	1/34 r	7/44	3/37 c
Toronto	7/44	-5/23 c	7/44	-4/25 pc
Vancouver	3/37	-1/31 c	9/48	2/35 pc
Washington	11/52	3/37 pc	16/61	4/39 pc

Latin America

Buenos Aires	28/82	19/66 pc	31/88	21/70 c
Caracas	27/80	18/64 s	27/80	19/66 pc
Lima	26/79	20/68 pc	26/79	21/70 c
Mexico City	16/61	7/44 sh	19/66	7/44 pc
Rio de Janeiro	28/79	23/73 r	29/82	24/75 c
Santiago	28/82	9/48 s	24/75	6/43 pc

Oceania

Auckland	23/73	14/57 s	23/73	16/61 s
Sydney	31/88	22/71 sh	29/79	21/70 c

Key: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hos, W-Weather.

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صكذا من الأصل

THE AMERICAS

After Camelot Book, Secret Service Is Told to Keep Secrets

By Tim Weiner
New York Times Service

WASHINGTON — The director of the Secret Service has sternly told his agents to shield the secrets of the people they protect — particularly presidents.

In a message sent Dec. 5, the director, Lew Merletti, said statements by four former Secret Service agents regarding President John Kennedy's philandering with prostitutes were "very troubling and counterproductive to the mission of the Secret Service."

The former agents described their embarrassment and anger at Mr. Kennedy's womanizing in "The Dark Side of Camelot," a new book by Seymour Hersh.

In a typical passage, one former agent, Larry Newman, told Mr. Hersh: "You were on the most elite assignment in the Secret Service, and you were there watching an elevator or a door because the president was inside with two hookers."

Mr. Merletti's message, which also went out to the members of the Association of Former Agents of the U.S. Secret Service, warned against "providing information to any source regarding any aspect of the personal lives of our protectees."

'The director of the Secret Service, a taxpayer-funded agency, has sent out a letter that suppresses and attacks my right of free speech.'

He asked all agents, present and former, "to refrain from discussing any information or activity associated with our protectees regardless of its content or significance."

The job, he said, carries "a confidence that should continue forever."

One former agent quoted in the book, Tony Sherman, said in an interview Tuesday: "The director of the Secret Service, a taxpayer-funded agency, has sent out a letter that suppresses and attacks my right of free speech. He implies that perhaps the four of us are not worthy of trust and confidence. This is a slap at us. What we said, I think, contributed to the history of the United States."

"I liked JFK," Mr. Sherman added. "He was one of the nicest guys I ever met. But he was reckless, morally. And for 35 years I kept my mouth shut."

A spokesman for the Secret Service, Arnette Heintze, said Mr. Merletti did not intend to attack personally the four former agents who discussed their experiences while protecting Mr. Kennedy.

Mr. Heintze also said that Secret Service agents were law-enforcement agents and hypothetically duty-bound to report a crime committed by a person they protect. But he said that agents are sworn to be "worthy of trust and confidence" and that maintaining that trust requires confidentiality and discretion.

"This is a very critical issue for the Secret Service," Mr. Heintze said. "This goes to the core of our mission. This has to do with trust. Most of us take this with us to the grave."

The Secret Service employs 2,100 agents, 1,100 of them uniformed.

Established in 1865, it has protected presidents since 1901, after the assassination of President William McKinley.

AMERICAN TOPICS

The High Price of Putting Your Name on a School

You would not expect immortality to come cheap. If you want a university business school named after you, plan to donate about $30 million.

Leading this high-priced naming game this year was the industrialist Gordon Marshall, who donated $35 million to have the business school at the University of Southern California named after him. The philanthropist E. W. Kelley found a relative bargain, getting Indiana University to rename its business school for a mere $23 million, U.S. News & World Report said.

Some schools are easier sells than others. If the computer magnate Bill Gates was able to get a Stanford University science building named after him for a mere $6 million last year, B. Joseph White, dean of the University of Michigan Business School, said he would not even consider less than $100 million.

Shallower-pocketed donors, don't despair: A home can be found for your money. More and more schools are doing what they do at the University of North Carolina, where you can get an auditorium chair named after you for just $2,000 — or a brick for $500.

Short Takes

The recognition last month by the National Institutes of Health that acupuncture can, in many cases, effectively treat pain and nausea came as no surprise in Southern California, where nearly half of the 10,000 U.S. practitioners are situated. Amid fast-rising demand from consumers, big insurance companies are scurrying to offer coverage, the San Francisco Examiner reports. Three big health maintenance organizations in California will begin coverage next month, generally around $15 per treatment for anywhere from eight treatments a year to an unlimited number.

The HMOs insist their motive is better patient care. Skeptics call the move a marketing ploy driven by raw competition.

In 1980, there were only four microbreweries in the country, and not one brew pub. Now there are 1,343 brewers, all but 93 of them microbreweries, brew pubs or regional specialty brewers. But if variety has increased the spice of the beer-drinker's life, it has not led him to drink more. Per capita consumption is about 21 gallons (80 liters) a year, down from a post-Prohibition high of 24 gallons in 1981. And the megabrewers with their huge advertising and distribution budgets — Anheuser-Busch, Coors, Miller, Stroh and Coors — still control more than 94 percent of the market.

Inspired by the highly profitable likes of Hard Rock Café and Planet Hollywood, theme restaurants have been busting out all over. At the Las Vegas Hilton, Quark's Bar & Restaurant will open soon as part of a new Star Trek-based theme attraction, and near Universal Studios in Hollywood, Marvel Entertainment Group is opening Marvelmania, where diners can watch videos of superheroes like the X-Men, Captain America and the Silver Surfer. Whereas the average restaurant has annual revenue of $500,000 to $750,000, sales at theme restaurants range from $4 million to $14 million a year, the Los Angeles Times reports.

They might do even better if they were to adopt the idea of Cartoonsville, a new child-oriented restaurant in the Los Angeles area. It has a fun house for kids, but for adults, a "no-screaming area" — a quiet bar with televisions.

Brian Knowlton

Ire Travel/Reuters

TOY TRAFFICKER — Cynthia Doolittle of Buffalo, New York, clutching Beanie Babies at a shop on the Canadian border. Most U.S. stores have sold out of the stuffed toys, sending some buyers north.

Women Fault Panel's Plan For Military

By Steven Lee Myers
New York Times Service

WASHINGTON — A panel's recommendation that the army, the navy and air force separate men and women during much of their training is facing pointed criticism from some members of Congress and others who say it will undercut the role of women in the military.

The swift reaction to the recommendations of the panel, which Defense Secretary William Cohen appointed in June after several sexual assault and harassment scandals in the military, underscored the emotional and political sensitivities of the issue and set the stage for a renewed debate in the months ahead.

"I think it sends the wrong message about the direction we need to take in the military," said Senator Olympia Snowe, Republican of Maine, who strongly supports integrated training. "Why create this separateness, this barrier almost from the outset?"

Disclosing a series of recommendations at the Defense Department on Tuesday, the panel's members, led by Nancy Kassebaum Baker, a former senator from Kansas, said the recent efforts to bring the sexes together in basic training and boot camps had created new problems.

While the panel strongly endorsed integrated training, it recommended that men and women live in separate barracks and otherwise be kept apart at the most basic levels.

The recommendations would make the army, the navy and the air force more like the Marine Corps, which has resisted integrating men and women in basic training. The panel concluded that training at the core level — the platoon in the army, the division in the navy or the flight in the air force — was being disrupted by the logistical difficulties of having men and women working together and sharing the same barracks.

Even by separating the sexes at the basic level, the panel said there would still be considerable integrated training in the field and in classrooms.

"This isn't a step back," Mrs. Kassebaum Baker said. "We regard it as a step forward in strengthening the services."

That view was not shared by supporters of women's role in the military. Representative Nita Lowey, Democrat of New York, said separating the sexes from even some types of training would "diminish the opportunities for women."

Evelyn Foote, a retired brigadier general who served on a separate panel looking into sexual harassment, said the plan would revive debates that she felt were over. "I feel like I'm back in the early 60s," she said. "It's going backwards."

Iowa Town Braces for Homecoming of Septuplets

By Sue Anne Pressley
Washington Post Service

CARLISLE, Iowa — When Lloyd Clarke, a builder, met with Kenny and Bobbi McCaughey recently to discuss the plans for their new home, he was struck by what the couple did not want: no mansion, nothing fancy, just a practical house big enough for seven babies and a toddler.

And there was one other thing: The McCaugheys insisted the house must be built right here in this small town of 3,400 that has protected them, rejoiced with them, suffered the media with them and now eagerly awaits the homecoming of the world's only surviving set of septuplets.

One month after their births, the McCaughey seven are continuing to progress nicely, gaining weight on schedule, breathing on their own, and heading toward a mid-to-late-January departure from Blank Children's Hospital in Des Moines, according to a hospital spokesman. The babies will most likely come home one at a time, with Kenneth, the first-born and the biggest of the bunch, probably the first, his grandfather said.

"It's hectic now, with the holidays, and it's really going to be hectic then," said the babies' maternal grandfather, Robert Hepworth, with a laugh. "They're just doing tremendous, though, and it's the Lord's undertaking. We keep calling this 'a miracle,' and it's not something we say lightly."

Until their larger home is constructed, with donations from Iowa builders and suppliers at the behest of Governor Terry Branstad, the greatly expanded McCaughey family will continue to live in their small white house on First Street here. At the house, a friend has hung eight stars from the roof: seven gold ones for the babies and a silver one for the eldest child, Mikayla, who will turn 2 next month.

The town has played a large role in the drama. Many of the townspeople, including the 100 or so members of the family church, Missionary Baptist, kept the secret for many months of the seven fetuses Bobbi McCaughey, 29, was carrying. After the babies were born on Nov. 19, residents were assailed by reporters from around the world who descended on the town, which will never be known again as just a suburb of Des Moines.

"At the flower shop, when I call in a wire and I say I'm from Carlisle, Iowa, everybody goes, 'Oh, you're the home of the septuplets, I'm talking to the septuplets' town,'" said LaVena Owens, a family friend who owns Four Seasons Florist.

In the shop's display window, seven huge handmade stockings dangle, knit by resident Joyce Bender in honor of the infants. On the community Christmas tree, pink and blue lights also pay tribute to the four boys and three girls.

"Kenny said to leave the stockings in the window and let the people enjoy them," Miss Owens said. "They want the town to not feel shut out. All of us have lost a little freedom with all the media."

At a news conference Saturday in Des Moines, where the septuplets were named honorary corporals in the U.S. Army Reserve, the couple said the infants were doing "very well." They expect to have them all home by the end of January.

From the beginning, the McCaugheys have said they do not want to be on constant display, and have limited their interviews. A Nashville-based Christian public relations firm is now representing the family and Wes Yoder, of the Ambassador Agency, said he, too, has become smitten with the septuplets after seeing them for the first time Sunday.

Mr. Yoder, who is handling the family's "literary interests," said the McCaugheys "are not out trying to stir up additional opportunities. They're taking it carefully. They realize their lives have changed forever."

POLITICAL NOTES

States Hold Tight As the Purse Fills

WASHINGTON — For the nation's 50 state governments, this holiday season will be a time to celebrate prosperity thanks largely to a strong national economy that has pushed up state revenues and preserved budget surpluses even as legislators were enacting modest tax cuts.

Those cheery tidings were proclaimed by the National Governors' Association and the National Association of State Budget Officers in their semiannual Fiscal Survey of the States.

But Raymond Scheppach, the executive director of the Governor's Association, said that governors and state legislatures had been cautious in increasing spending and enacting new programs, in part because of painful memories of how past national economic downturns swiftly punished state government finances.

He said for this fiscal year, which ends next June 30 in most states, overall spending would increase by 5.5 percent, less than the average 6.8 percent increase during the last 20 years.

Mr. Scheppach said the main exception to this cautious approach appeared to be in early-childhood development programs that focus on children up to about age 3. Spurred by recent scientific studies that underscore the importance of these years to a child's future, some states, like Ohio, have increased spending in this area by more than 100 percent, he said. *(WP)*

Clinton May Block Ouster of Haitians

WASHINGTON — The Clinton administration is considering ways to formally suspend deportations of illegal immigrants from Haiti while Congress works out legislation that would add them to a list of nationalities allowed to stay under a law adopted last month.

The proposed action is aimed at rectifying what the administration regards as inequitable treatment of different nationalities among as many as 400,000 people who fled war, repression and poverty in Central America and other countries in the 1980s and early '90s.

The law granted amnesty to Nicaraguans and certain Cubans. It offered Salvadorans, Guatemalans and Eastern Europeans an opportunity to remain in the United States through a more cumbersome and costly process of individual court hearings on suspension of deportation.

Haitians were left out of the law entirely, stirring protests from the Congressional Black Caucus and immigration advocates. *(WP)*

Quote/Unquote

John McCaleb, an anti-tax activist in Little Rock, Arkansas, after a public outcry prompted withdrawal of a proposal to raise the so-called hamburger tax on restaurants and hotels to purchase the future site of Bill Clinton's presidential library: "We've got a sitting president that's from here, and I hate to go out and criticize him, but there's a lot of outrage here. We've already got a 2-cent tax on hamburgers. I'd have told them to try to find some private investors." *(AP)*

Hubble Catches A Myriad Blaze Of Star Deaths

Reuters

WASHINGTON — The Hubble Space Telescope has trained its sights on the jewel-like, varied nebulae that are the beginning of the end for ordinary stars.

The latest images from the orbiting telescope, made public Wednesday, show an unexpected variety in the appearance of dying stars, astronomers said.

Scientists have long believed that most stars began to die by throwing off a round shell of glowing gas and then turned into burned-out brown dwarfs.

But the new photographs show nebulae in the shape of pinwheels, goblets, even resembling the jets on a lawn sprinkler or a rocket engine's exhaust plume.

"The first time we looked at the Hubble's breathtaking pictures, we knew that our older and simpler ideas of how these objects are formed had to be overhauled," Howard Bond of the Space Telescope Science Institute in Baltimore said in a statement.

The gas released by nebulae — and by supernovae, the huge explosions that are caused by the death of a giant star eight times the mass of Earth's sun — liberates certain substances, including carbon, that then go on to become the raw material of new stars, planets and, potentially, life.

Away From Politics

• **Hoping to prevent up to 60,000 illnesses a year,** the government is forcing every seafood processor to follow a strict new safety program that aims to prevent bad fish from reaching Americans. The new rules will force plants to prove that they took steps to prevent seafood contamination, providing a continual record of safety instead of the quick snapshot that government inspectors get today during spot checks of processors. *(AP)*

• **A woman who held state troopers at bay for 39 days** before being placed in a mental hospital is back home in Roby, Illinois, getting ready for Christmas. A Christian County circuit judge ordered Shirley Allen, 51, freed after a psychiatrist testified that she posed no danger. *(AP)*

• **A 7-year-old girl was struck and killed** by a recycling truck in Vancouver while running to give the driver a plate of Christmas cookies. The driver said he did not see Hannah Malychewski when she ran in front of his truck, which lurched forward and hit her. *(AP)*

• **A former marshal suspected of killing a hippie** in Colorado 26 years ago has been charged with second-degree murder. Renner Forbes, 68, who is paralyzed on his left side and uses a wheelchair, was accused in the July 17, 1971, death of Guy Goughnour, 19. *(AP)*

• **A team of zookeepers ventured back into a dense swamp** to look for Nala, a 450-pound lion that escaped from a roadside exhibit in Kissimmee, Florida. Wildlife officials asked that news helicopters stay clear of the search area because they scare the animal. *(AP)*

• **Forty-three medical centers that transplant hearts,** livers or kidneys had low survival rates from 1988 to 1994, including 29 whose low rates continued through 1994, and the Department of Health and Human Services has asked for an explanation. "I know you share my concern," the agency's secretary, Donna Shalala, wrote to the director of the United Network for Organ Sharing, which runs the transplant program. *(AP)*

• **A judge has refused to** block government agencies from killing bison that wander out of Yellowstone National Park, although he limited the number that can be shot to prevent the animals from spreading disease to cattle. No more than 100 can be killed without a court hearing, U.S. District Judge Charles Lovell ruled. Last year, 1,100 bison were shot or shipped to slaughter. *(AP)*

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In Asian Crisis, Japan Is the Lion That Squeaks

Economic Powerhouse Is Not Part of the Solution, It's a Major Part of the Problem

By Sheryl WuDunn and Nicholas D. Kristof
New York Times Service

TOKYO — As a financial crisis sweeps through Asia and provokes fears of a global downturn, Japan is the one economic force powerful enough to pull the region back to vitality.

The catch, however, is that Japan, the world's largest creditor nation with an economy twice as large as all the rest of Asia, is not part of the solution but a major part of the problem.

The Japanese leadership is in disarray, and has dithered for the last seven years of its own downturn.

NEWS ANALYSIS

Many economists say that Tokyo — by denying its problems or even dissembling about them — has prolonged its own economic torment and contributed to the financial crisis in Asia.

Prime Minister Ryutaro Hashimoto's unexpected call Wednesday for more than $15 billion in income tax cuts was an exception to that dithering. Indeed, Tokyo is preparing to unveil formally this week a $77 billion bailout of its own financial mess — a package bigger than the $60 billion International Monetary Fund rescue for South Korea. The scale is inevitable: The assets of a single Japanese bank, Bank of Tokyo-Mitsubishi, are roughly 10 times the size of the entire South Korean stock market.

Despite such plans, however, few analysts expect Japan to move decisively to address its own problems or Asia's. Even Mr. Hashimoto's dramatic tax-cut plan, many analysts said, was too little too late to reinvigorate the nation's economy.

William Overholt, a managing director at Bankers Trust Co. in Hong Kong, said: "The extent of Japanese mismanagement of its own economy in the last seven years, particularly under Herbert Hoover Hashimoto, is one of the overwhelming themes of the modern era."

While the parallel between Mr. Hashimoto and President Hoover may seem overblown, it is heard increasingly these days among his foreign critics here. Like Hoover at the beginning of the Great Depression, Mr. Hashimoto has adopted what some regard as a contractionary fiscal policy in the face of a banking crisis and an overall economic slowdown.

And, as with Hoover's America, the downturn in Japan is not just a domestic problem; it is also slowing growth around the world. As the largest creditor nation, Japan is far and away the most important source of capital around the globe, and it helps feed the United States' enormous appetite for funds on a daily basis.

"The U.S. needs to borrow a billion dollars every day the markets open," said Kenneth Courtis, chief economist at Deutsche Bank Group Asia-Pacific. "And Japan is the principal supplier of that capital. If Japan gets knocked out of that equation, and instead of exporting capital it imports it, who could replace Japan? What would happen to the U.S. bond market? What would happen to Wall Street?"

Mr. Hashimoto barely has command of Parliament and his saving grace is only that the opposition is even more dispirited than he is. The Finance Ministry normally sets economic policy, without paying much attention to the prime minister, but lately the ministry has been under assault as well and is distracted by efforts to curb its power and break it up.

One of the most catastrophic missteps was the decision to emphasize fiscal austerity and raise the sales tax this spring to 5 percent from 3 percent. The result was that the economy plunged at an annual rate of 11 percent in the second quarter, the worst figure in nearly 25 years, and economists are warning that Japan may now be poised to fall into recession.

It is not that no one warned Japan. Economists there and in the U.S. government protested repeatedly that the tax increase would be more than the fragile economy could withstand.

But Japanese officials were adamant, particularly those in the Finance Ministry at the pinnacle of the bureaucracy. They mistakenly believed that the economy was strong enough to tolerate the tax increase.

Eisuke Sakakibara, a vice minister of finance, and other officials, including Yasuo Matsushita, governor of the Bank of Japan, repeatedly offered upbeat assessments of the economy that, in retrospect, could scarcely have been further off the mark.

Mr. Sakakibara and Finance Minister Hiroshi Mitsuzuka declined to be interviewed for this article. But the government this month acknowledged that the economy is not recovering after all, and that it is at a "standstill."

For now, Japan's most pressing problem is its banking crisis — heightened by the risk of defaults in the coming weeks by South Korean banks. Japanese institutions have lent Seoul $24 billion, a monstrous sum that seems modest only when one compares it with the hundreds of billions in dubious loans within Japan.

"We're talking about the Asian financial crisis, but the biggest one is right here in Japan — by far," said Richard Koo, an economist at Nomura Research Institute in Tokyo.

The banks have been in trouble for seven years, but they and the government have yet to tackle the problem aggressively. Instead, the wounded banks have limped along, as officials downplayed the problems, but now some financial institutions have reached the end. One of Japan's 20 largest banks collapsed in November, and Yamaichi Securities, one of the "Big Four" securities firms, toppled a few days later.

What was particularly worrisome was not just the fact that Yamaichi collapsed, but the way it fell. It kept insisting that it was solvent, and then after collapsing it turned out to have an extra $2 billion in hidden losses. The Finance Ministry closely monitors the securities industry, and it either knew or did not know of these off-book losses; it is unclear which prospect is more alarming.

Even as the International Monetary Fund is urging Japan's neighbors to trim their growth, President Bill Clinton has urged Japan to bolster its economy from within. Such a policy could reduce the risk of a global financial meltdown and help the entire region emerge from its crisis.

Such a boost could come in a couple of ways. Japan could rely on fiscal stimulus, cutting taxes or raising government spending, or it could try deregulating the economy in hopes of generating an explosion of private spending. There is some evidence that concerted deregulation could set off a new Japanese boom.

In 1994, for example, Tokyo reluctantly agreed, under enormous U.S. pressure, to deregulate its cellular-telephone industry. The result was that the number of handsets increased more than 10-fold and cellular operators invested $13 billion in new systems.

Enthusiasts argue that if Japan could muster the political will to address its bad-loan problems instead of letting them fester, if it could deregulate transportation, retailing, finance, agriculture and pharmaceuticals and other industries, the result would be a burst of energy that would revitalize Japan and stimulate all of Asia.

To be sure, Mr. Hashimoto has pledged to achieve far-reaching economic and governmental reforms or else "burn up in flames" trying, and he is presiding over preparations for a "Big Bang" that would introduce greater competition into finance. But the pattern repeatedly has been that far-reaching deregulation is proposed, debated, opposed by entrenched interests and then emasculated by Mr. Hashimoto's colleagues in the governing Liberal Democratic Party.

That has frustrated foreigners and Japanese alike.

"With Japanese politics, people will very often say they're going to do it, but it takes a long time before they reach a final conclusion," said Minoru Makihara, president of Mitsubishi Corp. "However, I think time and speed is of the essence."

Mr. Hashimoto is reluctant to stimulate the economy the other way, by cutting taxes or increasing government spending, because of a profound commitment to fiscal prudence and aversion to deficit spending. He argues that deficit spending would be particularly irresponsible because the population is aging and will require enormous spending in the decades ahead.

The slowdown in Japan and the risk of a steeper recession are central to the Asian crisis. Japan's position as the leading source of capital around the world means that if its banks continue to falter, the pipeline of loans and investments could collapse. Nations in Asia need to export to Japan to bolster their economies, but a depressed Japan is not in a position to buy those goods.

A continued fall in the yen could harm the competitiveness of products from elsewhere in Asia. This creates a risk of competitive devaluations in the region. If Japan now allows the yen to fall further, so that its exports can compete against those from South Korea, then China and other countries might be tempted to follow, setting off a dizzying downward spiral.

A related risk is that Japan and others will try to export their way out of the crisis. But this strategy would produce a torrent of imports in the United States just as there are signs that the U.S. consensus in favor of free trade may be eroding.

"I'm hopeful we will not have a repetition of the 1920s and 1930s, Smoot-Hawley and the beggar-thy-neighbor trade policies, but human beings are imperfect," said Michael Oksenberg, an Asia expert at Stanford University.

One of the central ironies is that Japan has long yearned for a larger role in Asia. Thus, this should be its big moment, an occasion when it could win Asia's gratitude for rescuing the region from economic turmoil. But instead, it is too mired in its own problems to be of much help.

"Japanese people are worried about Asia, but they are more worried about Japan itself," said Yoshihide Soeya, a scholar of international relations at Keio University in Tokyo. "Instead of helping Asia out, Japan itself wants to be helped out."

Mr. Hashimoto recently expressed the nation's mood when he announced that Japan was "certainly not arrogant enough to think that we can take the role of locomotive for Asia."

The result is that Japan's role in the Asia crisis has been largely as banker and follower, taking the roles assigned by the U.S. Treasury Department. Japan put up $10 billion for the South Korean rescue package, twice as much as the United States, but the rescue was orchestrated from Washington.

"There's an increasing tendency to look to the U.S. and the IMF as the savior, rather than to Japan," said Muthiah Alagappa, a specialist on Southeast Asia at the East-West Center in Hawaii.

Suzuki/The Associated Press

President Suharto, right, and an aide inspecting one of the president's motorcycles.

Group Opposes 7th Suharto Term

Retired Politicians and Generals Say President Is Cause of Crisis

The Associated Press

JAKARTA — A dissident group of former cabinet ministers, onetime politicians and retired generals has urged Indonesian lawmakers not to re-elect Asia's oldest and longest-serving head of state.

The call by the Petition 50 group coincided with news that President Suharto, who is seeking a seventh consecutive term next March, plans to return to work Thursday, ending a two-week rest at home.

In a letter to the People's Consultative Assembly, the group said that Indonesia's financial crisis was a consequence of bigger social, economic and political problems brought on by Mr. Suharto's government.

The group said the nation was experiencing "the crisis of morality and life, the crisis of its existence as a nation."

It said the 1,000-member assembly could improve democracy in Indonesia by changing regulations that tightly control the political system and by not electing Mr. Suharto for the 1998-2003 presidential term.

The assembly is expected to elect Mr. Suharto unopposed.

The 76-year-old retired army general came to power after he crushed an unsuccessful Communist coup in 1965.

The dissident group noted that when Mr. Suharto took office, he had promised democratic reform to correct mistakes made by his predecessor, President Sukarno, who founded Indonesia in 1945 and ruled until it sank into turmoil in the mid-1960s.

"But in fact, the people's sovereignty was ignored," the group said. "The nation is ruled in an authoritarian way without effective political and social control."

Doubts have lingered about Mr. Suharto's health. He was last seen in public Dec. 3, when doctors ordered him to rest after a long overseas trip. His Thursday program includes a military cadet graduation ceremony.

BRIEFLY

57 Refugees of Coup Return to Cambodia

PHNOM PENH — A group of 57 political refugees who fled Cambodia after a coup more than five months ago returned to Phnom Penh on Wednesday escorted by United Nations officials.

It was the largest single group of political exiles to return since Hun Sen, the co-prime minister, deposed his former coalition government partner, Prince Norodom Ranariddh, on July 6.

About 75 refugees had been expected to return, but nearly 20 changed their minds over concerns for their personal safety.

"I am still a little bit frightened," said Keou Saosyla, a member of the opposition Khmer Nation Party, after flying into the capital's Pochentong Airport.

"But I decided I had to come back home to see my family and carry on working in the KNP," she said. The Nation Party, led by Sam Rainsy, is allied to Prince Ranariddh's royalist party. *(Reuters)*

Beijing Tightens Curbs On Chemical Weapons

BEIJING — China, eager to refute allegations that it contributed to chemical weapons proliferation, said Wednesday it had issued rules to tighten controls on the import and export of chemical weapon-related materials.

The Ministry of Chemical Industry, the Foreign Ministry, the Foreign Trade Ministry and the customs service have issued a joint circular boosting controls on trade of raw materials that can be used to make chemical weapons, the China Chemical Industry News said.

The circular stipulates that imports and exports of chemical weapons-related materials should be exclusively handled by firms authorized by the Chemical Industry and the foreign trade ministries, the newspaper said.

In May, the United States imposed sanctions on China's Jiangsu Yongli Chemical Engineering & Technology Import/Export Corp. and its parent company, Nanjing Chemical Industries Group, accusing them of transferring chemical weapon components to Iran. *(Reuters)*

Pakistan Airlines Aide Is Slain in Karachi

KARACHI, Pakistan — Unidentified gunmen shot and killed a senior official of Pakistan International Airlines here Wednesday, the police said.

They said the airline's general manager for sports, Hasan Musa, was killed in the parking area of the airline's Sports Complex in this port city. A police official said no clues as to the reason for the killing had been discovered yet.

More than 400 people have been killed this year in political and sectarian violence in Karachi, compared to 500 in 1996 and more than 2,000 in 1995. They include four American oil company employees killed in a daylight ambush in November. *(Reuters)*

Heat and Winds Fan Fires Near Sydney

SYDNEY — Thick smoke and smog blanketed Sydney on Wednesday and firefighters were placed on alert as high temperatures and strong winds fanned brushfires in four states across Australia.

A smoke haze descended on Sydney shortly after midday Wednesday as fire fighters battled to control several outbreaks near the Blue Mountains on the city's western outskirts.

"Fire fighters are preparing for an extremely difficult afternoon in the face of increasing temperatures, strong winds and very low humidity," the New South Wales Rural Fire Service said.

Police said about 20 families had been evacuated from Nattai, southwest of Sydney, as one fire neared it. *(Reuters)*

JAPAN: *Stimulus Plan*

Continued from Page 1

shimoto in a telephone conversation that he "was greatly encouraged by the steps the Japanese are taking: One, to use public funds to restore depositors' confidence and, two, to recognize the importance of demand-led economic growth through the stimulus package that the prime minister has courageously put forward."

"We believe that the financial package will be good for the people of Japan and good for the regional economy of Asia," Mr. McCurry added.

Treasury Secretary Robert Rubin also praised the tax cut, saying, "We welcome the policy actions announced by Prime Minister Hashimoto to strengthen domestic demand, including a two trillion yen cut in personal income taxes."

The Japanese stock market, a barometer of confidence in the government's handling of the nation's economic trouble, soared on Mr. Hashimoto's statement. The benchmark Nikkei 225-stock average closed up 3.48 percent, at 16541.06.

Mr. Hashimoto appears to have made a gamble that by doing exactly what his critics have been nagging him to do since late this summer, when the frail Japanese economy took a turn for the worse, he could stun them into silence.

Private economists estimated, however, that more than half of the income tax cut would find its way into savings accounts, not cash registers, and Mr. Sakakibara himself said that at least some of the money would be saved.

In 1994, when the government cut taxes permanently and instituted additional tax rebates, the savings rates jumped 14 percent after having been flat for the previous three years. Mr. Hashimoto made it clear that the tax cut announced Wednesday was for one year only.

The cut would add roughly 38,000 yen to a taxpayer's coffers, but only in June of 1998, curtailing any immediate benefit to the economy from increased consumer demand.

UN to Press Burma on Democracy

After Meeting Head of Ruling Council, Annan Plans to Send Envoy

Reuters

KUALA LUMPUR — A United Nations envoy will go to Burma next month to press the country's military-led government for free elections, Secretary-General Kofi Annan said Wednesday.

The announcement was greeted by the country's main opposition, the National League for Democracy party as "very good news."

Mr. Annan said he had met General Than Shwe, chairman of Burma's State Peace and Development Council, during a three-day informal meeting of the Association of South East Asian Nations, which ended in Kuala Lumpur on Tuesday.

At a press conference after his four-day visit to the Malaysian capital, Mr. Annan said General Than Shwe had told him that Burma was "moving toward democratization" and that the ruling council had tried to initiate discussions with the democratic activist and leader of the National League for Democracy, Daw Aung San Suu Kyi.

But Mr. Annan said General Than Shwe did not indicate when elections could be held in Burma.

"No timetable has been established," Mr. Annan said. But he added that General Than Shwe said the government had made attempts to mend all the conflicts within and also initiate discussions with Aung San Suu Kyi," Mr. Annan said.

The former ruling State Law and Order Restoration Council reconstituted itself last month as the State Peace and Development Council in a government reshuffle reportedly aimed at rooting out corrupt ministers.

"But if you talk about democratization, then there should be free and fair elections," Mr. Annan said.

Asked if he was convinced that democratic reform was genuinely under way in Burma, Mr. Annan said: "It's really quite difficult to say as we have not been able to send anyone into Burma for a while."

Asked what he hoped to accomplish by sending an envoy to Burma, Mr. Annan said: "It's a little unusual for the United Nations. We are not going in with a timetable like we did with Cambodia. What we'd like to see is free and fair elections and freedom of speech."

The National League for Democracy applauded the decision to send an envoy to Rangoon, but mirrored Mr. Annan's caution.

"This is very good news. We regard this as a progressive step and makes us see some light," a member of the party said by telephone from Rangoon.

The army seized power in 1988 after crushing a nationwide uprising. The military government allowed elections in 1990 that were won overwhelmingly by the National League for Democracy. But the former ruling body refused to recognize the result.

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EUROPE

Banker Pondering A Czech Cabinet

Tosovsky Takes Klaus's Place

Reuters

PRAGUE — President Vaclav Havel officially named the central bank governor, Josef Tosovsky, as prime minister Wednesday, taking over from Vaclav Klaus, who resigned amid a party funding scandal on Nov. 30.

Ivan Medek, chancellor of Mr. Havel's office, made the announcement at Prague Castle, where Mr. Tosovsky took the oath of office.

Mr. Tosovsky said at a news conference after the ceremony that his new government "will not be formed before New Year's Eve."

Mr. Tosovsky said the economy and Czech membership bids to the European Union and the North Atlantic Treaty Organization would be priorities for his administration.

■ A Figure of Stability

Jane Perlez of The New York Times reported earlier from Prague:

President Havel suggested that Mr. Tosovsky, who has a high profile and has headed the central bank through the entire post-Communist period, could bring much-needed stability to the roiling political situation.

Mr. Havel stressed Tuesday that as a nonpartisan technocrat, Mr. Tosovsky, 47, had the support of the three parties in the current center-right coalition government, and of the opposition Social Democratic party as well.

But Mr. Havel also indicated that Mr. Tosovsky would be a caretaker: many politicians here expect parliamentary elections to be called by the middle of next year.

The appointment of Mr. Tosovsky was well received by economists and investors. "He is a better choice than a lot of the other possibilities because he has credibility, independence and a track record," said Gabor Bognar, an economist at Goldman, Sachs in London who specializes in Central Europe.

In the coming days, Mr. Tosovsky will put together a cabinet from nonpartisan figures as well as politicians from the Christian Democrats and the smaller Civic Democratic Alliance party, said Jiri Pehe, an adviser to Mr. Havel. It was not clear, Mr. Pehe said, whether Mr. Klaus's party, the Civic Democratic Party, would take a role.

Mr. Klaus, an ardent free-marketeer who was re-elected chairman of his party last weekend, said, "We are ready to negotiate."

But Mr. Klaus, who appears to be preparing himself as a candidate for elections next year, said he wanted to hear Mr. Tosovsky's program before committing himself to the new government.

Mr. Tosovsky takes over at a critical time, but how much he will be able to accomplish in a limited time and as an appointed prime minister is not clear.

He must deal with the shattered image of the Czech Republic as the miracle economy of Central Europe. Economic growth this year, according to the Czech Statistical Office, will be 1.1 percent, compared with about 6 percent for Poland.

Mr. Klaus's privatization program failed to restructure state companies as he had promised and left many small investors unhappy. In the spring, the sluggish economic growth and rising trade deficit caused investors to lose faith in the reforms, causing a sharp fall in the currency.

Foreign investors have complained about insider trading on the Prague stock exchange.

Because there has been so much unease about the methods of privatization and a growing popular perception that the process allowed unscrupulous company managers to get rich, politicians said Tuesday that future proposals would be put on hold until new elections.

Mr. Tosovsky must also guide the country's negotiations with NATO and the EU. In both cases, the Czechs have had some difficulties. Along with Poland and Hungary, the Czech Republic has been invited to join NATO but the Pentagon has criticized the Czech Defense Ministry for failing to meet some of the early criteria for membership.

Defense Minister Ruehe, right, talking to German soldiers Wednesday during a visit to the Schneeberg barracks.

A History Lesson

German Defense Chief Visits Unit Tainted by Neo-Nazi Scandal

The Associated Press

SCHNEEBERG, Germany — Defense Minister Volker Ruehe, addressing concern over neo-Nazis in the German military, paid a visit Wednesday to the unit in Eastern Germany that touched off the scandal.

Several members of the 571st Mountain Infantry Battalion in Schneeberg were suspended earlier this year after home videos surfaced showing soldiers giving the Nazi salute and acting out rapes and murders.

The videos, which surfaced in July and October, also showed soldiers talking about killing Jews.

Mr. Ruehe's trip comes a day after opposition lawmakers in Bonn announced a formal inquiry next month into how widespread rightist activity in the military is.

The string of recent reports on neo-Nazi incidents in the armed forces also included one that forced the military to admit that Manfred Roeder, a convicted neo-Nazi terrorist, had been invited to speak at an officers' academy in Hamburg in 1995.

Troops at Schneeberg, near the Czech border, about 170 kilometers (100 miles) southwest of Berlin, had prepared military drills for Mr. Ruehe's visit.

The commander, Lieutenant Colonel Wolfgang Schraut, briefed Mr. Ruehe on changes in the unit, including how soldiers are being taught to identify and prevent rightist activity.

All of the unit's troops are now required to attend classes in German history. They learn of atrocities during the Nazi era and how the government works in the new democratic Germany, Captain Peter Puhlmann said.

Mr. Ruehe has promised to take all necessary measures to weed out rightists, including stricter officer supervision of troop activities.

BRIEFLY

A Camera for Mir Goes Awry

MOSCOW — The crew aboard Mir aborted an experiment Wednesday involving a new, powerful camera when the device failed to respond to commands after it was released from the Russian space station, officials said.

The Inspector, a one-meter robot equipped with a high-resolution camera, was still floating near the Mir, but was not in danger of colliding with the spacecraft, said Vera Medvedkova, spokeswoman at Russia's Mission Control.

Mir's crew planned to try to maneuver the Inspector to pinpoint the problem, but the odds of success were considered quite low, Miss Medvedkova said.

The robot never managed to orient itself properly after its release and ground controllers decided to call off the experiment after several hours of trying to fix the problem, she added.

The Inspector, created by German and Russian companies, was intended to spend two days taking pictures of the station's exterior. *(AP)*

Nazi Gold Found at Swedish Bank

STOCKHOLM — The Swedish central bank held on to about a metric ton of gold that may have been looted by the Nazis during the German occupation of the Netherlands, a bank-appointed commission said Wednesday.

The discovery of the gold came in the commission's nearly yearlong investigation of neutral Sweden's financial dealings with Germany during World War II.

After the war, Sweden returned six metric tons of gold to the Netherlands and 7.2 metric tons to Belgium. The gold, which Sweden had received from Nazi Germany's Reichsbank, was believed to have been taken from those countries' central banks.

The commission said Wednesday that there was no evidence that any of the gold acquired by Sweden from Germany came from from victims of the Nazis' death camps.

The newly discovered gold bears the same kind of markings as gold bars of Dutch origin that were made from smelted gold coins, the investigation said.

It also said it turned up 0.6 metric tons of gold of undetermined origin. *(AP)*

Yeltsin Ready to Leave Hospital

MOSCOW — President Boris Yeltsin is on schedule to leave a sanitarium outside Moscow by the start of next week, the Kremlin said Wednesday. He has been recovering from a cold and viral infection.

Sergei Yastrzhembsky, the presidential spokesman, dismissed suggestions that the government was hiding the truth about Mr. Yeltsin's health, saying he still planned to leave the Barvikha sanatorium after 10 to 12 days. He has been there a week.

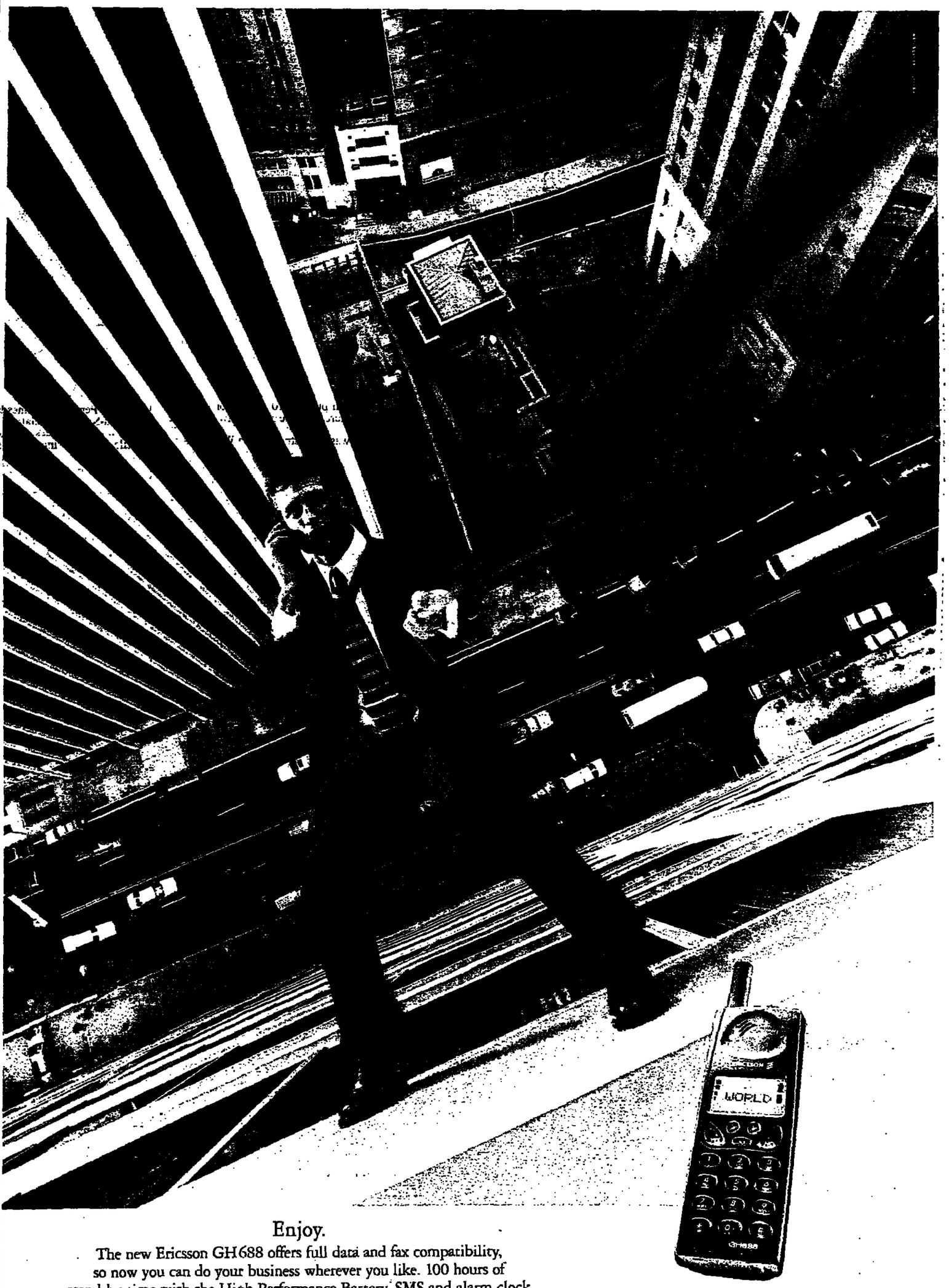
"His state of health is satisfactory," Mr. Yastrzhembsky said. "The doctors set the time frame of 10 to 12 days on the day the president went to Barvikha. No other period has been mentioned." *(Reuters)*

Turks Creating New Islamic Party

ANKARA — Islamists in Turkey created a new party on Wednesday in anticipation that a court here will ban their Welfare Party, led by former Prime Minister Necmettin Erbakan, press reports said.

The Anatolia news agency said 34 founders of the Welfare Party had submitted a formal application to the Interior Ministry for the creation of the Virtue Party.

News reports last week said an official of the constitutional court recommended that Mr. Erbakan's Islamic-based party be dissolved for "undermining the state." *(AFP)*



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ERICSSON

Iranian Paper Says U.S. Remains 'No.1 Enemy'

Media Reaction to Clinton's Overture Is Mixed

Reuters

TEHRAN — The United States is still Iran's No. 1 enemy, an Iranian newspaper said Wednesday in a commentary on moves toward rapprochement between the estranged former allies.

The hard-line reaction came two days after President Bill Clinton's offer of an "honest" discussion with Tehran, a response to President Mohammed Khatami's earlier expression of hope for "a thoughtful dialogue with the American people."

Some Iranian commentators said that it remained up to the American leader to make the first move toward better ties. Reaction to Mr. Clinton's statement, prominent Wednesday in the Iranian press, was generally mixed.

One daily said there were no grounds for an improvement in relations, while an English-language newspaper said Washington was neither sincere nor serious.

State-run radio and television reported Mr. Clinton's offer without comment.

The Persian-language daily Jomhuri Eslami said a White House spokesman considered Mr. Khatami's remarks a green light from Tehran, but stressed that Washington had preconditions for talks.

"This is not the first time that America pretends to have the initiative in this issue, while the truth is something else," it said, " and the harder it tries to hold direct or indirect talks with Iran, the less successful it is."

In an editorial entitled "America Is Still Iranian Nation's No. 1 Enemy," the newspaper said, "America is not in a superior position and cannot dictate to other nations what they should do and how they should choose their friends and foes. Put explicitly, there are no grounds for the improvement of relations with America, and Iranian authorities as a whole have a unified stance in confronting the all-out hostility of America toward Iran."

The English daily Kayhan International, in a commentary headed "Much Ado Over Nothing," said that Mr. Khatami's offer was neither a new proposal nor a change of policy on the part of the Islamic republic. It said Mr. Clinton's reiteration of anti-Iran rhetoric meant that Washington was not sincere.

"If Clinton is stating the truth that he likes nothing better than to have a dialogue with Iran, then it is up to him to take that initiative," it said. "He should prove Washington's sincerity and seriousness by accepting Tehran's repeated demand that the U.S. must release billions of dollars in assets which remain frozen in the U.S. banks since about two decades."

The Tehran Times said American officials should bear in mind that if Iran decided to hold talks with the United States, it would not be without preconditions. Because "the ball is in reality in their court," it said, Americans "must in the first instance stop its nonsensical accusations against Iran."

"As a sign of goodwill," it said, "the Clinton administration should release Iran's frozen assets blockaded in American banks since 1979."

The newspaper added that the Clinton administration "should also try to recognize the values of the Islamic revolution instead of confronting Iran hopelessly."

Thierry Charlier/The Associated Press

Foreign Minister Knut Vollebaek of Norway chatting with Secretary of State Madeleine Albright on Wednesday at the NATO talks in Brussels.

Russia's Word to NATO: No Use of Force on Iraq

By Craig R. Whitney
New York Times Service

BRUSSELS — Foreign Minister Yevgeni Primakov of Russia told the United States and other NATO foreign ministers here Wednesday that Russia remained opposed to the use of force to get Iraq to permit full international inspection of suspected storage sites for biological and chemical weapons stockpiles.

But, in his second meeting with North Atlantic Treaty Organization foreign ministers since the alliance set up a permanent joint council to allay Russian concerns about its expansion into Central Europe, Mr. Primakov assured the allies that Russia would continue to contribute to the NATO peacekeeping force in Bosnia if the allies extend its mandate beyond next June.

Mr. Primakov met privately with Secretary of State Madeleine Albright here Wednesday morning before the larger meeting with NATO ministers, whom she urged to think about a NATO strategy for dealing with countries like Iraq that acquire weapons of mass destruction.

Speaking of Richard Butler, chief of the United Nations special commission that is seeking access to suspected weapons storage sites in Iraq, Mrs. Albright told Mr. Primakov and the allies Wednesday: "Ambassador Butler's latest trip to Baghdad demonstrated that UN inspectors still do not have complete, unimpeded and unconditional access to many sites in Iraq. We must persist in diplomatic efforts to secure Iraqi compliance, without ruling out other options if diplomacy fails."

Mr. Primakov said after the meeting: "We are against the use of force. I think in this regard, we have in the world an overwhelming majority with us. At the same time, we feel that Iraq must deal constructively with the special commission."

Mr. Butler returned to New York on Tuesday after a trip to Iraq that did not succeed in getting President Saddam Hussein to budge on the issue of permitting inspections in presidential palaces suspected of hiding weapons storage or development sites.

"His attitude is negativistic," Mr. Primakov said, referring to Mr. Butler, but he urged Iraq to work more constructively with the commission and said that monitoring of Iraqi weapons sites should continue even after the commission finished its work. Mr. Primakov said it should be completed soon so that economic sanctions against Iraq could be lifted.

Mr. Primakov, though still strongly opposed to NATO's plan to admit Poland, Hungary and the Czech Republic in 1999, seemed as pleased as Mrs. Albright said she was with the contacts between Russia and the alliance.

And on the peacekeeping force in Bosnia, where about 1,500 Russian troops are serving alongside 8,000 Americans and 25,000 soldiers from 34 other countries, Mr. Primakov said, "Should there be a continuation of the force, Russia will be there."

Allied foreign ministers have asked NATO military experts to draw up four options for a continuation of the peacekeeping force beyond June, when its current mandate expires.

Some of the European allies, including Germany, have suggested that the force could be cut back from its current level as more peacekeeping duties are turned over to international civilian agencies. But the United States is leaning toward keeping it close to 34,000 troops, according to American officials.

Turkey Raises the EU Stakes

Ankara Threatens to Pull Its Spurned Membership Bid

Compiled by Our Staff From Dispatches

ANKARA — Prime Minister Mesut Yilmaz said Wednesday that Turkey would withdraw its bid to join the European Union if the group did not include it in a list of candidates for membership, the state-run Anatolian News Agency said.

"Prime Minister Yilmaz announced that Turkey would withdraw its full membership bid by June if the EU does not change its position," Anatolian reported Mr. Yilmaz as saying during a fuel stop in Brussels en route for an official visit to the United States.

Mr. Yilmaz was quoted as telling reporters that an EU summit meeting including Turkey must be held by June to avoid the withdrawal of Ankara's application, first put forward in 1963.

He vowed Sunday to freeze ties with the EU, speaking after an emergency cabinet meeting to discuss the Union's decision over the weekend at its Luxembourg summit meeting to exclude Turkey from its formal list of 11 future members.

"We will not change our position until we are put in a basket with the 11 countries," Mr. Yilmaz warned.

The prime minister's departure comes a day after President Bill Clinton appealed for Turkey to be "anchored to the West," amid a bitter dispute between Ankara and the European Union over Cyprus's future entry into the Union.

Before leaving, Mr. Yilmaz said, "Turkish-American cooperation is of major importance to the peace and stability of the region surrounding Turkey."

As well as holding talks Friday in Washington with Mr. Clinton, Mr. Yilmaz will meet with Vice President Al Gore, Secretary of State Madeleine Albright, Defense Secretary William Cohen and Energy Secretary Federico Pena.

The leaders of the 15-nation EU announced Saturday that they were inviting five East and Central European countries, plus Cyprus, to start membership talks early next year.

A further five countries would join formal membership talks later.

Turkey was not included in either group but was invited to join a special European Conference on enlargement.

But Ankara has turned that invitation down, saying it deserves more and is being discriminated against.

Mr. Yilmaz was particularly incensed by a series of conditions, from human rights reforms to improved relations with its longtime rival, Greece, that were attached to the invitation to the EU enlargement conference.

The Luxembourg meeting's outcome was a source of disappointment to Mr. Yilmaz and his secularist political allies who see EU membership as a guarantee of Turkey's Western vocation.

The European Union tried Wednesday to reassure Turkey that it has a place in Europe, but remained unrepentant over conditions set by EU leaders for full membership negotiations.

"We did not want to say 'no' to Turkey," Prime Minister Jean-Claude Juncker of Luxembourg told the European Parliament, reporting on the meeting last week.

"We consider that Turkey is a great European nation and the place of Turkey is within the European family," he said. "But I would like our Turkish friends to understand we are not a club of Christians but a club with certain rules." *(Reuters, AFP)*

Australians Draw Up Battle Lines Over Land Rights for Aborigines

By Clyde H. Farnsworth
New York Times Service

SYDNEY — The 21-month-old government of Prime Minister John Howard has set itself on a collision course with Aboriginal peoples over one of this country's most visceral issues — and rights — opening the prospect of new elections next year.

Mr. Howard's conservative-leaning coalition, which draws its support largely from white ranching, mining and business interests, wants to redress what it says are imbalances favoring the Aborigines after two landmark Supreme Court cases.

The two cases, one in 1992 and the other in 1996, recognized Aboriginal property rights and decreed that those rights could even exist on pastoral leaseholds.

The government has already passed legislation in the lower house of Parliament to take away these so-called native title rights.

In the upper house, where the coalition's strength is more diluted, the bill has been amended in ways the government finds unacceptable, creating the possibility that Mr. Howard will dissolve Parliament over the issue and call for a general election.

While Mr. Howard has not absolutely committed himself to such a move, he continues to talk tough on the land-rights issue.

"We've decided our position on the basis of what we think is right and what represents a fair balance," he said, "and we're going to maintain that position come what may."

Opponents of the legislation and Aboriginal leaders argue that fairness on the land issue should not be achieved at the expense of Aborigines' newly recognized rights.

Other Australians are worried about the implications not only for national unity but also for the country's reputation abroad before the 2000 Olympics in Sydney and the 2001 centenary of the Australian federation.

One Aboriginal group, the Nyungah Circle of Elders, from Perth in Western Australia, has urged Aboriginal athletes to boycott the Olympic games.

The ill feelings have contributed to reports of possible violence and arms buying in some of the country's hot, dry interior areas. While Aborigines constitute 2 percent of Australia's overall population of 18.5 million, they are a majority in many interior communities.

De-Anne Kelly, a coalition member of Parliament from Queensland, says ranchers, or pastoralists as they are called here, are buying assault rifles and other illegal weapons in case they feel the need to defend their isolated properties. There are also rumors that the Aborigines are stockpiling arms.

Jospin Backed on Immigrants

Reuters

PARIS — The National Assembly approved an easing of immigration laws Wednesday, despite the abstention of dozens of deputies from the leftist majority.

The vote was 276 to 254. Rightist deputies voted against the bill, while Prime Minister Lionel Jospin's Socialists supported it. But the Communist bloc of 36 deputies abstained, as did five of the six Greens in the assembly.

The bill, which now goes to the Senate, would eliminate a requirement for individuals who are hosts to noncitizens to declare their presence to local authorities and make it easier for asylum-seekers to obtain residence permits and for families to remain together. "Mission accomplished," Interior Minister Jean-Pierre Chevenement said

صكذا من الأصل

Europe Shivers As Toll Climbs

An Icy Blast From North to South

Reuters

LONDON — Ice and snow gripped much of Europe on Wednesday as the death toll from a vicious cold snap climbed.

In Poland, where 15 people have died from the frigid weather, temperatures plummeted to around 4 degrees Fahrenheit (minus 16 degrees centigrade).

"The victims are mainly homeless," said a spokesman for the Warsaw police, Pawel Biedziak, adding that excessive alcohol consumption had also been blamed for some deaths.

In Bucharest, seven frozen corpses were collected from the city streets on Tuesday. "We expect the number of dead to rise in the coming days due to the bad weather," said Vladimir Belis, head of the city's Forensic Institute.

Rough seas, low visibility and high winds closed Romanian ports on the Black Sea and trapped two U.S. warships taking part in a naval exercise. Power was cut to about 250 villages in the southern and eastern regions of the country.

Motoring organizations across Europe urged drivers to leave their cars at home to prevent further weather-related accidents and loss of life. Radio reports described roads in Luxembourg as "veritable skating rinks."

In London, the government was moving 60 homeless youths into one of the city's grandest buildings, Admiralty Arch, located on Trafalgar Square. The youngsters will reportedly be allowed to stay there until March.

Overnight snowfalls in southern England forced some schools to close and made the morning journey to work a misery for millions.

"It's an absolute nightmare," said a spokesman for the Britain's Automobile Association.

In Spain, where two fatal road accidents Tuesday were blamed on the weather, the authorities issued warnings of heavy rain, high winds and possible floods.

In southwestern Germany, a sudden warm front brought rain that fell on frozen ground, creating a sheet of ice that caused hundreds of traffic-related accidents, the police said.

Philippe Wojazer Reuters

Tourists at the Eiffel Tower in Paris playing in the snow before it turned to slush later Wednesday.

Bitter Cold Reminds Russians: It's Just Winter as Usual

By Alessandra Stanley
New York Times Service

MOSCOW — Vodka sales are up, primary schools are closed, most outdoor vendors and prostitutes have fled indoors, and even hardened Russian men have pulled down the flaps of their fur hats.

It is bitterly, unseasonably cold in Moscow.

But after two of the coldest December nights on record, temperatures in Moscow rose to 14 degrees Fahrenheit (minus 10 centigrade) on Wednesday and were expected to continue rising.

Three people died of hypothermia Tuesday night and nearly 50 were hospitalized with hypothermia and frostbite in the capital. One death was also reported in the southern town of Yeisk.

Five people died from the cold and 138 were hospitalized Monday night, when the temperature dropped to minus 26 Fahrenheit (minus 32 centigrade), the coldest temperature for that day since 1882. The newspaper Komsomolskaya Pravda reported Tuesday that as many as 700 people were injured falling on icy sidewalks or being hit by falling icicles.

Russians are reacting with their customary blend of personal fortitude and callousness.

"What can we do about it?" Andrei Varchenya, a spokesman for Moscow's mayor, Yuri Luzhkov, responded when asked about special measures the city was taking to cope with the severe temperatures. "Why should we do anything about it?"

Mr. Varchenya did not seem too worried about the city's growing numbers of homeless, estimated at about 300,000, who are most vulnerable to the freezing temperatures.

"They should live in houses, not on the street," he said to Reuters. "There is no reason to live on the street."

Those fortunate enough to have permanent shelter made a point of shrugging off the icy winds that kept the city's schoolchildren at home and drove many vendors who usually throng the outside of subway stations to skip work Tuesday.

Larisa and Eduard Simeryuk, a couple who sell candy and cigarettes in a kiosk near the subway, showed up for work as usual, bundled in three layers of sweaters and coats.

Mrs. Simeryuka wore a fur coat draped over her wool coat. They took turns racing into the subway station to warm up.

"It's incredibly cold, but what can we do?" Mr. Simeryuk asked. "We have to earn money. Anyway, Russians are used to the cold. We're born with the ability to withstand it."

Russian winters helped defeat Napoleon and Hitler, and Russians take enormous pride in enduring the cold. But the last few winters have in fact been unusually mild, and the past few days have been a chilling reminder of what an authentic Russian winter really means.

Fires have broken out in Moscow, mostly caused by people burning wood in basements to stay warm. Fire fighters have been hampered by frozen hydrants.

Some people actually did outdoor sightseeing Tuesday. Vladimir Markov took his wife, Natalya, and their 5-year-old son, Sasha, to the Kremlin Wall to watch the changing of the guard at the Tomb of the Unknown Soldier, a solemn ritual that was only recently reinstated.

"The temperature is perfectly normal for Russia," Mr. Markov said sternly. But even the honor guards got a special cold weather dispensation. Rounds usually change on the hour, but because of the cold, they were switched to half-hour duty.

No Party in Lima, but Did Japan Learn?

By Calvin Sims
New York Times Service

TOKYO — There will be no party this year at the Japanese Embassy in Lima to celebrate the birthday of the emperor.

The Japanese government is taking no chances after Marxist guerrillas crashed last year's party and took hundreds of guests hostage in a standoff that lasted 127 days.

Japanese diplomatic missions in Bolivia and Egypt, where rebel groups are active, have also canceled receptions to honor the emperor, while Japanese embassies worldwide have beefed up security.

But experts on terrorism and security say that Japan is no better prepared today to deal with terrorism than it was on Dec. 17, 1996, when Tupac Amaru guerrillas seized the Lima embassy. Although Peruvian commandos ultimately rescued the hostages and killed all 14 rebels, Japan continues to be seen as an easy target because of its history of giving in to hostage-takers and its inability to manage crises, the experts said.

"Japan has shown itself woefully inadequate to respond to hostage situations because the Japanese put themselves at the mercy of the aggressor, and they take too long to make decisions," said John Neuffer, a political analyst for the Mitsu Marine Research Institute, an economic research center based in Tokyo.

Indeed, Japan's government has long been criticized for its slow, consensus-based decision making, which often produces tardy and ineffective responses to calamities from terrorism to natural disasters.

The typical response is to avoid force and win the quick release of the captives, even if it means paying a heavy ransom.

In Lima, the Japanese pushed for a peaceful solution, and there were widespread reports that they were prepared to pay millions of dollars in ransom. But President Alberto Fujimori ultimately sent in the commandos.

"Unfortunately, the Peru hostage crisis did not change the Japanese approach to terrorism," Mr. Neuffer said. "And unfortunately, it's still open season on the Japanese abroad because there is this sense that they have a lot of cash and they are willing to fork it over to avoid violence."

But officials of Japan's Foreign Affairs Ministry say that the Peru incident brought about heavier security at embassies, increased communications with the intelligence agencies of other countries, and better dissemination of security information to travelers.

U.S. Judge Fines Cuba for Shooting Down Pilots

Compiled by Our Staff From Dispatches

MIAMI — A U.S. District judge awarded the families of three Cuban-American pilots more than $187 million in damages Wednesday against the Cuban government over the deaths of the men, who were shot down by a Cuban jet fighter.

Judge James King ruled against the Cuban government and the Cuban Air Force in a wrongful death lawsuit filed by the men's relatives, who had sought compensatory and punitive damages from Cuban assets frozen in the United States.

The Cuban government declined to defend itself at the civil trial in Miami federal court, saying the U.S. court had no authority over it.

The civil suit was the first to go to trial under a 1996 anti-terrorism law that aims to extend U.S. jurisdiction beyond the country's borders for attacks on U.S. citizens.

Four Miami men were shot down over international waters by a Cuban MiG jet fighter on Feb. 24, 1996, as they flew in two Cessna planes owned by the Brothers to the Rescue organization. They were searching for Cuban migrants at sea.

Judge King said Cuba, "in outrageous contempt for international law and basic human rights, murdered four human beings in international air space." The lawsuit was filed by the families of three of the victims, who were U.S. citizens. The fourth man's relatives were ineligible for inclusion in the lawsuit because he was not a U.S. citizen.

The families hope to collect from Cuban assets frozen by the U.S. government. The judge ruled that the government of Cuba should pay $49.9 million in compensatory damages and its air force should pay $137.7 million in punitive damages, for a total of $187.6 million.

Aaron Podhurst, the attorney who argued the case for the families, acknowledged that collecting will not be easy. *(Reuters, AP)*

BRIEFLY

Nigeria Military Leader Falls Ill

LOME — The Nigerian leader, General Sani Abacha, was absent because of illness when West African heads of state began a security summit meeting Wednesday, President Gnassingbe Eyadema of Togo said.

He announced General Abacha's condition at the start of the one-day meeting of the Economic Community of West African States in the Togolese capital of Lome. General Abacha was due to lead the meeting.

His explanation contradicted that of Foreign Minister Tom Ikimi of Nigeria, who opened the meeting. He said that General Abacha had been unable to attend due to "circumstances of state beyond his control." *(Reuters)*

UN Council Awaits Iraq Report

UNITED NATIONS, New York — The Security Council prepared Wednesday to hear a briefing from the top UN weapons inspector, who had failed to secure total access for disarmament monitors in Baghdad.

The chairman of UN Special Commission, Richard Butler, is to address the 15-member council Thursday, after receiving a "categorical" refusal from Deputy Prime Minister Tariq Aziz on access to so-called presidential sites in Iraq.

But Western diplomats said Wednesday that the council was unlikely to take immediate action to force Baghdad to comply with UN resolutions providing for unconditional and immediate access to all sites. *(AFP)*

Mexico Frees Famed Prisoner

MEXICO CITY — After nine years in prison, the former boss of a notoriously corrupt union who became one of Mexico's most famous prisoners was freed Tuesday night after an intense campaign by human-rights organizations.

Authorities gave no reason for their surprise decision to release Joaquin Hernandez Galicia, former leader of the powerful oil workers union.

Mr. Hernandez Galicia, 75, was jailed in 1989 after he openly defied then-President Carlos Salinas de Gortari. He was sentenced to 13 years in prison for the shooting death of a federal agent sent to arrest him. But human rights groups maintain that the case was so full of irregularities that the charges appeared to have been trumped up. *(LAT)*

Bogota Extradition Bill Signed

BOGOTA — President Ernesto Samper has signed a bill that legalizes the extradition of Colombian citizens but contains loopholes to protect Cali cocaine cartel kingpins in Colombian prisons.

Washington has strongly criticized the bill, which legislators passed Nov. 25, because it is not retroactive. That means convicted drug lords probably will never be tried in U.S. courts, where they face life sentences. *(AP)*

For the Record

An Air Canada jet skidded off a runway into a tree while landing late Tuesday in thick fog at Fredericton, New Brunswick, injuring 35 of the 42 people on board. Eight victims remained hospitalized Wednesday. *(AP)*

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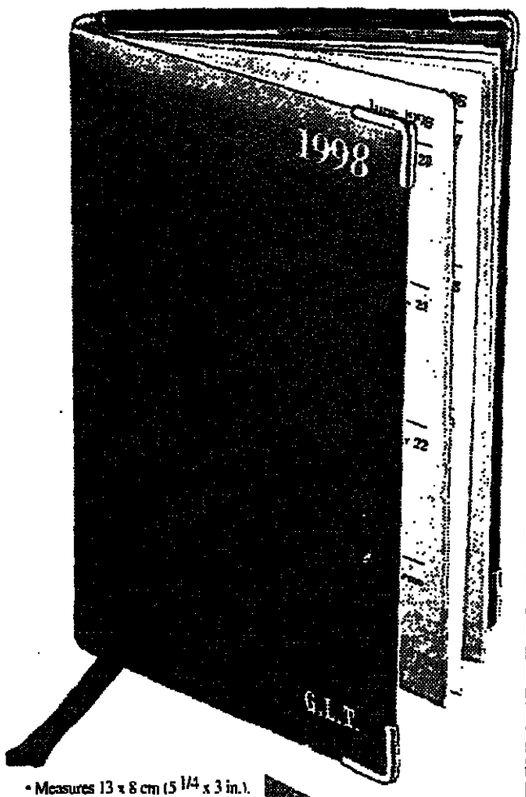

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Herald INTERNATIONAL Tribune
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Taiwan Shows the Way

While economic meltdown in much of Asia has held the world's attention, a more positive development was less noticed. Taiwan — one of Asia's economic tigers, which, incidentally, has withstood this economic crisis very nicely — held elections on Nov. 29, and for the first time an opposition party emerged with most votes.

Only local posts were at stake. But when you consider the youth of Taiwan's democracy, this result represents a remarkable achievement. It was only seven years ago that Hsu Hsin-liang was released from prison, where he had been held as an opposition politician on charges of sedition; today he is chairman of the victorious Democratic Progressive Party. The consolidation and maturity of Taiwan's democracy stand as a constant rebuttal to Beijing's contention that Chinese values and self-determination don't mix.

The opposition victory could have significance also for the most sensitive question of Taiwan's relations with the People's Republic of China, and of the U.S. role in the region.

Beijing regards Taiwan as a renegade province. Most Taiwanese don't see themselves that way; they are proud of what they have accomplished since 1949, not only in democratic development but in culture and economy as well. Taiwan has only 21 million people but is the world's 14th trading nation, with $81 billion in reserves.

The U.S. view, deferential to China, is that there is only one China, but that the two entities should resolve things peacefully. The United States is certainly opposed to China's forcing a solution, but it also opposes any unilateral Taiwanese moves toward independence that China would view as provocative and unacceptable.

The recent elections were not about foreign policy but local issues: law and order, road-building, corruption. But the winning DPP is traditionally pro-independence, unlike the long-ruling Kuomintang. A year from now Taiwan will hold elections for national Parliament, and in that case relations with China will be an issue. The Kuomintang will have advantages in that contest that it did not enjoy two weeks ago; but the DPP, having won once, will be seen as a contender.

That makes some Americans nervous. But it is significant that the DPP, as soon as it won the local elections, began repositioning itself as an advocate for peace and stability. Mr. Hsu, visiting Washington last week, said his party's pro-independence platform is interesting only as a historical relic; in power, he said, the DPP would safeguard the status quo.

In so saying, he responds to political reality as consistently reflected in opinion polling. Taiwanese are deeply divided about their eventual goal — unification with China or independence or something in between — and no doubt their views depend in part on how China evolves. But an overwhelming majority favors neither outcome any time soon but rather a continuation of the current ill-defined situation.

Polls also show, though, that most Taiwanese are eager for more international recognition and for admission into those international organizations from which Beijing is constantly working to exclude them. Those aspirations seem to us entirely understandable, to be viewed with sympathy and not as reckless provocations. Taiwan's democratic development only deepens its claim on other nations' respect.

— THE WASHINGTON POST.

Undemocratic Africans

Madeleine Albright is usually a master of theatrical diplomacy, but she was rudely put off balance a few days ago by President Laurent Kabila of Congo. With Mrs. Albright at his side, Mr. Kabila brusquely dismissed a question about a man jailed for circulating opposition literature. Unhappily, the incident captured the tone of Mrs. Albright's uneven visit to seven countries in sub-Saharan Africa.

Although the journey demonstrated American interest in the region, and Mrs. Albright broadly defended democratic principles, she too often glossed over the abusive practices of leaders she met, most notably Mr. Kabila.

As she properly acknowledged, the United States for decades shamelessly supported Mr. Kabila's disastrous predecessor, Mobutu Sese Seko, as he drove a resource-rich economy to ruin. But such past policies are only compounded by Washington's embrace of Mr. Kabila, whose externally supported rebel army chased Marshal Mobutu from power last May. Since then he has shoved aside opposition leaders, stymied UN human rights investigators and failed to deliver on his promises to end corruption.

American diplomacy has also strongly supported President Yoweri Museveni in Uganda. Although an able economic reformer, Mr. Museveni seized power almost 12 years ago and insists on one-party rule.

Washington backs the minority Tutsi military government that took over Rwanda after the Hutu genocide in 1994 but has done little since to promote ethnic healing or majority rule.

Mrs. Albright also visited Ethiopia, Angola, Zimbabwe and South Africa, whose governments range from democracy to one-party authoritarianism.

For all his faults, Mr. Kabila seems a clear improvement on Marshal Mobutu, Mr. Museveni far better than Idi Amin, and Tutsi dictatorship much preferable to Hutu genocide. Almost all the African leaders Mrs. Albright visited have embraced market reforms. These considerations, along with Uganda and Ethiopia's support for efforts to topple Sudan's Islamic fundamentalist dictatorship, help explain their leaders' popularity in Washington.

Mrs. Albright's mistake was not in making this trip. It was in allowing some of her hosts to use her presence as an advertisement for American endorsement of their undemocratic regimes.

— THE NEW YORK TIMES.

Lee Deserves the Job

Over the weekend, Senator Orrin Hatch, Republican of Utah, suggested that if President Bill Clinton appointed Bill Lann Lee as "acting" head of the civil rights division in the Justice Department, Republicans would not see the Lee nomination as such a slap in the face. On Monday the president adopted the idea. The outcome is good for the Justice Department, good for White House relations with the Senate and good for civil rights.

Mr. Lee, son of Chinese immigrants and a former director of the NAACP Legal Defense and Education Fund in Los Angeles, becomes the first Asian-American to hold the top civil rights job in the country. As the acting head of the division, he lacks the full legitimacy of someone confirmed by the Senate. But he has the weight of the White House behind him, and Mr. Clinton has promised to resubmit his name for confirmation next year.

Mr. Lee's sin in the eyes of Senate Republicans blocking his nomination was that he was committed to upholding the law, which permits the use of affirmative action as a remedy in discrimination cases. Mr. Hatch had warned that nominating Mr. Lee in the face of opposition by a majority of the Senate Judiciary Committee would be an affront. In their reactions on Monday, some committee members made clear that they were still angered by Mr. Lee's appointment. But the real affront has come from Mr. Hatch, who has let conservative obstructionists distort Mr. Lee's moderate record and block the nomination from going to the Senate floor, where it had a good chance of being approved.

Even more offensive is the threat from Republicans to seize on Mr. Lee's nomination as yet another excuse for their continuing campaign to block other administration nominations.

Under the law, Mr. Lee can remain as acting head of the civil rights division for the rest of the life of the Clinton administration. Had he accepted a recess appointment, which can be made only when Congress is not in session, his term would have lasted only until the end of next year.

Ideally, the best result would be for committee Republicans to relent when Mr. Clinton resubmits Mr. Lee's name next year, and allow the full Senate to vote. That would also provide the perfect setting for the debate on affirmative action that Mr. Hatch says he wants.

— THE NEW YORK TIMES.

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The Ignorant Herd Runs In and Stampedes Out

By Robert J. Samuelson

WASHINGTON — Countries with huge differences in culture, history and political systems have been thrust together in ways that stretch the limits of normal commerce and common understanding.

And there has been a mutual web of illusion and deception among richer and poorer nations — or, more precisely, the companies, banks and investors in each. The fault for the Asian crisis is widely shared.

Recall John Maynard Keynes's memorable phrase: "animal spirits," which he defined as the "spontaneous urge to action rather than inaction." Well, the "animal spirits" of global capitalists got mixed with a big dose of ignorance about emerging markets.

In the 1990s, foreign investors (from the United States, Japan, Europe and Asia) poured about $1 trillion into poor countries. China, Brazil, Thailand, Indonesia, South Korea and Malaysia were big recipients. Some money arrived as direct investment (foreigners building factories); some came as bank loans or through bonds. Other funds went into local stock markets.

A lot of investors — multinational companies, banks, tycoons, mutual fund managers — simply did not know what they were doing. They believed uncritically in the "Asian miracle" and knew little about the countries in which they invested. Risks were misjudged.

Confirmation of this comes from a study by the Institute of International Finance in Washington. It found that by mid-1997 interest rates on bonds issued by 14 emerging market economies were only about 1 percentage point higher than rates on U.S. Treasury bonds. Higher risks ought to command higher rates. Investors judged the risks in Brazil or Thailand to be only slightly greater than in the United States. Gulp.

This teaches a lesson that constantly needs to be relearned: markets, although generally productive — regularly blunder. Swept up in enthusiasms, they succumb to herd behavior and go to excess.

In this case, the combination of too much foreign capital and weak local banking systems produced enormous waste. Dollars were converted into local currencies to buy stocks or make loans. Bank deposits soared.

The Bank for International Settlements notes dryly: "Very rapid growth in Asia in the first half of the 1990s [led] to an extraordinary expansion of bank credit that has no recent parallel in industrial countries."

By 1995, the ratio of bank credit to GDP was 89 percent in Thailand, 77 percent in Malaysia, 56 percent in South Korea. These figures had risen rapidly. (The ratio for the United States, 63 percent, was what it had been in 1980).

We now see the aftermath — capital flight. The whole process is unraveling, with destructive economic consequences.

Foreign banks will not renew dollar loans to banks in South Korea and elsewhere. Overseas investors withdraw from local stock markets. Loans made during the boom go sour. The credit bases for these economies are squeezed. Companies and banks that borrowed in dollars scramble to buy dollars to repay the loans. Exchange rates plunge.

The crisis has fed on itself. So far, confidence has not recovered. Believing that currencies will drop, investors sell, so currencies drop.

Emergency loans arranged by the International Monetary Fund are supposed to inspire confidence and restore stability. In practice, this has not yet happened, because the loans are fully disbursed only after countries meet tough conditions — closing weak banks, raising interest rates. These conditions offend powerful interests and limit national sovereignty. There are howls of protest; investors then doubt that the conditions will be met, or the money disbursed.

Globalization, though, flows from irreversible forces. It cannot be undone. Lower communication and transportation costs abet foreign commerce. Multinational companies seek wider markets; poor countries seek higher living standards through trade, investment and technology.

Over the decades, the process has worked astonishingly well. Countries specialize in what they do best. Living standards have risen for poor and rich countries alike. In Asia, abject poverty has declined dramatically. The record refutes the standard objections that poor countries and workers gain only at the expense of the rich.

But there is no guarantee that the process will work as smoothly in the future as it has in the past.

A country that exhausts its foreign exchange must retrench. It can revive economic growth only by exporting more. This is the plight of many Asian economies, and at best the IMF only cushions the shock.

High interest rates and low exchange rates merely reflect the basic problem. If too many countries fall into this trap simultaneously, all will have a harder time escaping. All countries cannot have export surpluses; some must import.

Potential instabilities abound. Commerce does not exist in a political or cultural vacuum. It requires common customs, understandings, procedures and rules. For the world economy, this foundation is weak. There is much mutual ignorance and suspicion.

The present crisis may be a passing phase, a collective learning experience that strengthens a global commercial culture. Or it may foretell more turmoil. All major countries now depend on large flows of international trade and investment. If these were to shrink, all would suffer.

Washington Post Writers Group.

As It Watches Asians' Trouble, Europe Warms to the Euro

By Jim Hoagland

PARIS — Asia's serial currency collapses are stirring short-term queasiness in Europe over investment risks and lost exports. But Asia's money troubles also inspire European business and political leaders to smile, as they utter those smugly delicious words: We told you so.

We told you, that is, that the world needed a second continental zone of monetary and financial stability to balance and restrain the American dollar.

Asia's financial troubles are giving the single European currency decisive new impetus. The euro will happen, and its creation will have more impact on the dollar and the global economy than had previously been expected.

The prospect that Frenchmen would peacefully abandon the franc, Germans the mark and so on has been impossible for many Americans and Asians to grasp. Money is identity for nations. It is history and power.

But Europe, mired in suffocating unemployment and feeble growth, is desperate enough to risk change. The battering that Asian currencies have taken in recent months has reinforced a commitment to change and opened new opportunity for a rival to the dollar.

In the past, Europe had the world's most important and destabilizing currency turmoil. The foreign exchange bloodbaths in South Korea, Indonesia and Malaysia remind the West Europeans of the importance of their existing currency grid system (unperturbed by the Asian contagion) and their need to go further to achieve durable monetary stability.

The euro, germinating since 1991, will debut on Jan. 1, 1999, as an accounting unit. It will gradually displace nation-al currencies, with the franc, mark and others being replaced in the marketplace by euro coins and bills by July 2002.

The U.S. Treasury has preferred to say as little as possible about the euro, insisting defensively that it will have no impact on the dollar's commanding position as the world's main reserve currency.

Perhaps. But I think that argument now underestimates three factors: the force that politics can exert on economics; the strength of European determination to use the euro to revive its markets and reshape the global economy; and the sobering conclusions that Japan must draw about its political timidity and economic immobility demonstrated in the Asian currency debacle.

America's recent sustained prosperity has benefited from Japan's willingness to leave an estimated $230 billion, or more, invested in U.S. Treasury bills. The Japanese know that they would harm themselves by withdrawing these and other dollar-denominated investments and bringing the dollar down in value. But if the euro becomes a credible alternative to the dollar, Japan and other Asian countries will have options that they did not have in this crisis.

This point was made by several of the French and German speakers who addressed a daylong seminar on U.S.-European relations held at the French Senate last week.

The discussion was supposed to center on a favorite French hobbyhorse, the so-called American challenge to European business and political independence. But significantly the blue-chip group of French political leaders who spoke moved quickly past "American mischief" making to talk about their nation's own shortcomings and the remedies they prescribed. They were clearly tired of scapegoating America, and focused on their own potential and problems.

"The United States is looking for a partner in world affairs, and we are not strong enough at this time to be that partner," said former Foreign Minister Jean François-Poncet. "It is up to us to change. The challenge is a European one."

Leadership matters. In the 1990s, Japan's politicians have been too frightened of voter reaction to deal with banking and financial paralysis. America's leaders have reaped the harvest of earlier restructuring and innovation. In Europe, grim economic results have forced agonizing reappraisals and radical thinking.

The euro is a historic roll of the dice. America has a big stake in the outcome.

The Washington Post.

Too Special a Relationship Makes Britain a Feeble Ally

By Charles Maechling Jr.

WASHINGTON — The ongoing crisis with Iraq has thrown into sharp relief the foreign policy vacuum in Britain. It is time to ask whether British parroting of U.S. foreign policy has so diminished Britain's standing as an independent force in world affairs as to make it more of a diplomatic encumbrance than an asset.

A strong Britain, acting independently of America, could have preempted the role of Russia as mediator and thereby forestalled Russian resurgence as a power factor in Iraq and the Middle East. Instead, Britain was publicly dismissed by the Iraqi foreign minister as an American "stooge."

Only two generations ago Britain was the dominant power in the region. It governed Palestine under a residual League of Nations mandate; it exercised suzerainty over the Suez Canal and Egypt; it created Iraq and Jordan out of backward Hashemite sheikhdoms; it stood behind the Anglo-Iranian oil concession in Iran.

Today Britain dares not brave American displeasure by intervening diplomatically in the Israeli-Palestinian dispute. It does not even publicly support its multinationals like Shell and British Petrolum for Caspian oil pipeline contracts in the way that France backs Total for Iranian offshore gas.

Britain takes justifiable pride in its behind-the-scenes diplomacy. In the latest confrontation, it helped to prevent Russia and France from abandoning the coalition. It urged Bill Clinton to take a softer line on sanctions and to tone down his demonizing of Saddam Hussein. In the Gulf War, and as peacekeeper for the United Nations and NATO in Bosnia, it has been a valiant ally.

But in almost every Security Council vote, Britain backs the United States, often paraphrasing the U.S. position in more elaborate language.

The reason for this abdication of independence in the name of allied solidarity is well known — it is the Falklands war of 1982. Withdrawal of the British task force under severe battering by Argentine fighter-bombers was averted only when Secretary of Defense Caspar Weinberger opened the flood-gates of U.S. supplies and provided access to U.S. electronic intelligence. The recapture of the Falklands saved Margaret Thatcher's government, and her gratitude was boundless.

Thenceforward, prime ministers have endorsed every twist and turn of American policy even when it trespassed on British interests.

The Thatcher government raised not a whimper over the Reagan administration's gratuitous invasion of Grenada, a Commonwealth country. When the Helms-Burton legislation extended U.S. criminal jurisdiction to foreign firms investing in Cuba, Britain wrapped its opposition in the mantle of the European Union and the World Trade Organization.

The Thatcher legacy has extended to the World Court, where the British judge joined the American judge in dissent in the court's 11-to-3 decision, condemning the CIA's not so secret war against Nicaragua.

France, which sometimes pushes distance from U.S. policy to unnecessary levels, is in some ways a more useful diplomatic asset. France's credibility as mediator, and its support of the United States in the Security Council when it so chooses, carry more weight than if it were a rubber stamp.

Canada, whose distinguished UN peacekeeping record gives it diplomatic clout out of proportion with its military strength, has enhanced its credibility as an ally by its outspoken opposition to U.S. policy toward Cuba.

Britain's limpet-like clinging to the outdated "special relationship" reduces its foreign policy to that of a satellite. The habit of endorsing even misguided U.S. positions gives a green light to U.S. advocates of unilateral action. It reinforces French-German determination to exclude Britain from monetary decision-making.

The writer, an international lawyer and former State Department adviser, contributed this comment to the International Herald Tribune.

On to the Next Phase in Bosnia

By Joseph R. Biden Jr.

WASHINGTON — With NATO's mandate in Bosnia set to expire next June, the Clinton administration is cautiously considering a continued U.S. military presence there. This is no time to change course. The United States should maintain its leadership role in Bosnia.

Putting Bosnia back on its political and economic feet is squarely in the American national interest, and it is doable.

After a slow beginning, the international community has made significant strides during the past year in implementing the civilian parts of the Dayton accords. For progress to continue, an international military force must provide security for several more years. The United States should retain command of that force and contribute ground troops to it.

A withdrawal of international peacekeepers from Bosnia next June would almost certainly lead to renewed warfare. The fighting would likely ignite the powder keg in neighboring Kosovo, and perhaps spread elsewhere in the Balkans. The cost of putting out such a conflagration would dwarf the already considerable cost that America and its allies are incurring in Bosnia.

Conditions in Bosnia today must be seen in context. The situation is much improved from four, three, two years or even a year ago. The fighting that claimed a quarter of a million lives and displaced 2 million people has been halted, the rival armies demobilized and their heavy weapons either destroyed or put into guarded sites.

With international assistance, the economy in the Muslim-Croat Federation has come to life, and unemployment has been halved in one year. Basic infrastructure has been restored. Corruption is common, but the framework for enforcing the rule of law is in place, and continued international pressure can have a decisive impact in forcing effective reform.

Meanwhile, the Republika Srpska is undergoing fundamental change. In recent months, SFOR forces have finally moved to silence vicious anti-Western television propaganda and disband the Bosnian Serb paramilitary police. Due in part to these efforts, voters in the Republika Srpska last month diluted the power in parliament of Radovan Karadzic. His struggle with President Biljana Plavsic, who grudgingly realizes that implementation of Dayton is the only way to save her people from total collapse, will continue.

Much more needs to be done, and it can be done only with outside help from the United States and its European allies. More refugees need to be returned to areas where they are a religious minority. The prime war criminals, starting with Mr. Karadzic and Ratko Mladic, must be apprehended. All the local governments elected last September, including those in towns where prewar religious majorities prevailed by absentee ballots, must be seated.

To help complete these three essential tasks, I have proposed that America's European allies organize a well-armed paramilitary police force like those that already exist in Italy, France, Spain and Germany. Deploying the paramilitary police force would enable the bulk of outside military troops, including U.S. ground forces, to shift their mission from patrolling the boundary lines between the two entities in Bosnia to securing the country's international borders.

Initial reaction to this proposal has been cool, but Europeans must recognize the overwhelming stake they have in Bosnia, and take primary responsibility for it.

Similarly, it is unacceptable that the lion's share of funding for the current International Police Task Force, whose mission is to retrain the Bosnian police, comes from the United States. Although underfunded and understaffed, the task force has already created religiously integrated police forces in half of the federation's cantons, and has begun to restructure the regular police in the Republika Srpska. Western Europe should immediately step in so that the task force can complete its vitally important work.

No one should underestimate the difficulty of the task ahead in Bosnia, but for the first time we can see progress. I am confident that the Clinton administration and Congress will choose to stay the course in Bosnia. The alternative is calamity.

The writer, a senator from Delaware, is the ranking Democrat on the Senate Foreign Relations Committee. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: N.Y. Transit

NEW YORK — The building of the underground railroad in New York is still in doubt. The Appellate Division of the Supreme Court handed down a decision confirming the report of the special commission which approved the plans. Four Judges concur and Judge Ingraham dissents. The decision recognises the imperative necessity of rapid transit, but says that if the total cost of the road be deemed to be incurred when the contract is made, the constitutional debt limit of New York City would be exceeded.

1922: Belgian Discord

BRUSSELS — The Belgium Government is facing a crisis over the language question, which has reached an acute stage. The majority of Liberals find themselves clearly in support of the agitation for the transformation of the University of Ghent into a Flemish seat of learning, while the Liberals want to retain the French character of that institution. The situation is complicated by the fact that the Socialists are divided on the question, the majority being in favor of the retention of French at Ghent, on the ground that France is the country of free thought and progress.

1947: Panama Women

PANAMA CITY — The first all-feminine demonstration in Panama's history was staged against ratification of an agreement giving the United States extended leases on fourteen Panama Canal defense bases. Five thousand mothers, sisters and sweethearts of National Institute students and professors, who have held previous demonstrations of protest against the agreement, joined in a march to the National Assembly.

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OPINION/LETTERS

Entertainment Coup, or America's Politics of Illusion

By William Pfaff

WASHINGTON — The explanation for what otherwise might seem a mystery in the political life of the United States today is that a coup d'état has taken place. Not a coup by generals or radicals but by the entertainment industry.

The coup has been accomplished so quietly, and indeed was so unstructured and even unplanned, that most Americans have scarcely noticed. But to an American who works abroad, the domination now exercised by entertainment over the nation's life is a disconcerting revelation, explaining much that would otherwise seem inexplicable.

John Kenneth Galbraith several years ago anticipated what has happened when he observed that entertainment, including professional sports, had replaced manufacturing as the country's principal economic activity. Manufacturing and farming are tied to reality. Entertainment manipulates illusions.

The nation's takeover by entertainment has changed the press as well as television news broadcasting, which now has become an agent of the new ruling power.

With honorable exceptions, American newspapers, magazines and television are today mainly concerned with stories and gossip about stars, including athletes and public figures who fall into the category of celebrity; with backstage film and television reports, and with promotional material on films and television programs.

The quarrels of sports stars with coaches or team owners, and of entertainers or actors with directors and producers, are treated as major news. Public officials make news according to their notoriety or stardom, their personal glamour or scandals, rather than through their political commitments. Such enormously successful magazines as Vanity Fair and the new New Yorker are upmarket versions of the tabloid press.

In USA Today, the national newspaper that exercises a great influence on the local press across the country, influencing its news priorities, the lead front-page story one day last week was President Bill Clinton's acquisition of a dog. This was accompanied inside by an entire page of analyses of what the dog will mean to Mr. Clinton's presidency, with sidebar stories on past presidential dogs.

On the same day Asian economies were crashing, potentially menacing America's economic well-being; the United States was threatening to make war on Iraq; Israel and the Palestinians were at flash point, and Boris Yeltsin had fallen victim to another mysterious malady, re-emphasizing Russia's unstable condition.

In Washington and other cities, of course, readers had access to the country's limited number of serious newspapers. But across the country people were reading USA Today or its local counterparts. The increasing number who don't read papers at all were getting such information as was offered by television, which liked the dog story, too, and where the lines dividing news from entertainment and commercial promotion are being erased.

At the same time, people at the Brookings Institution, the Center for Strategic and International Studies, the Carnegie Endowment and other Washington institutions and universities were doing earnest work on policy issues. Very little sophistication survives in the translation of their ideas into legislative projects.

The Washington policy problem is that turning ideas into the vocabulary acceptable in the new political atmosphere also turns them into slogans.

What's the lead story in a period of Asian financial crisis and Middle East tension? President Clinton's new puppy.

Thus the U.S. foreign policy fiasco produced by Saddam Hussein's recent defiance of Washington, in which Iraqi reality discomfited American illusion-mongering. The great health reform debate of the first Clinton administration was settled by crude arguments made by soap-opera characters in the insurance industry's television advertisements.

The most pernicious influence remains commercial television, far and away the decisive medium for American political communication. The need to put everything into the slogans and images of paid television advertisements is mainly responsible for the prohibitive cost of political action and campaigns, and for the scandals of campaign financing.

The cost of political campaigning, combined with current voter apathy and nonparticipation, has turned the country into something close to a plutocracy. Money establishes the real players among those who would govern the nation.

To be influential, American political figures have to be stars.

Secretary of State Madeleine Albright was on the front page of The Washington Post last Thursday because of a photo opportunity offered during her African tour, when she posed holding an African child in her arms, a charming irrelevancy to the mandated responsibilities of the secretary of state.

Mrs. Albright believes that she has to be a celebrity in order to get public support for her policies. Those who really succeed in this new America are those with natural star quality, the gift for projecting an ingratiating personality and convincing others that, in the jejune phrase, they share their pain. Mr. Clinton does this superlatively, which is why he is a success while his administration is a failure.

The Washington rumor is that when Mr. Clinton leaves the White House he will become president of Steven Spielberg's film studio, DreamWorks. Possibly the president will see in this the culmination of his career. In view of the entertainment industry's domination of the American nation today, nothing would seem more appropriate.

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A Lesson for Black Kids: Success in School Is Cool

By Bob Herbert

NEW YORK — Somehow over the past two or three decades a lot of black kids absorbed the message that academic achievement was something to be shunned.

Excellence in sports or the various entertainment fields was one thing, a good thing, but high marks and academic honors were something else. Academic

MEANWHILE

achievement, according to this mind-bogglingly destructive way of thinking, was a white thing and thus in some sense contemptible.

The tragic result has been that in many schools across the United States, black kids who apply themselves to their studies are often ridiculed and at times ostracized.

A black teacher in the Bronx told me in a despairing tone that she has male students who would rather be paraded in handcuffs before television cameras than be caught reading a book.

I've had many students tell me in interviews that they are afraid to raise their hands in the classroom because they don't want to repeat the experience of being laughed at for giving the correct answer.

A black 17-year-old girl who worked part-time at a mall in Marietta, Georgia, was taunted recently by high school classmates who showed up at her job to express their resentment at the high marks she was getting.

Now, and not a moment too soon, comes Hugh Price, president of the National Urban League, with an ambitious first step toward turning this madness around.

"We haven't surrounded our young people with enough opportunities to excel academically and to be recognized for excelling," Mr. Price said. "We haven't had the rituals in our own community that reward young people for doing well."

The Urban League has drawn together 20 national black organizations, including the Congress of National Black Churches, for what it calls the Campaign for African-American Achievement. The idea is to improve the academic standing of black youngsters by encouraging and rewarding excellence in the classroom, and by improving the quality of the education that is offered to black youngsters in the public schools.

A statement announcing the campaign said: "We have to reverse the increasing gap in academic achievement between African-American and other children. We have to increase the rates of enrollment of African-American youngsters in college preparatory courses and attack the inequitable allocation of resources for public education."

There is an urgency in Mr. Price's manner as he talks about this effort. He and his colleagues recognize that black men and women will have to be substantially better prepared educationally if they are to survive economically in the 21st century.

Employers, as Mr. Price noted, "expect much more in the way of academic preparation than ever before." And affirmative action programs, however one feels about them, are almost certain to continue their fade from the scene.

The achievement campaign will try in a variety of ways to generate enthusiasm among students and parents for the hard work that is necessary to succeed academically. This will not be easy in environments that are plagued by poverty, broken families, drug abuse, violence and the widespread notion that what is taught in the classroom is not relevant to the lives of the students.

The campaign will establish an honor society, called the National Achievers Society, to focus attention on black youngsters who excel academically. The first induction ceremony, to be presided over by General Colin Powell, will be held next spring.

Meanwhile, leaders of the campaign are working with professional organizations and universities around the country to determine where improvements in the public schools need to be made and what specific kinds of academic help are needed for underachieving students.

This is not a perfect plan. Much of it will be modified and some of it will fail. But it does send the crucial message that academic achievement is as important for black people as anyone else. It's a message that somehow has escaped the consciousness of too many black children.

The New York Times

LETTERS TO THE EDITOR

Hope in Cambodia

"Legitimacy Eludes the Strongman of Cambodia" (Dec. 11):

Since reading this article I have been carefully examining Cambodians in Phnom Penh as they go about their daily rounds.

I have seen people striding purposefully. I have seen hundreds of young people driving motorbikes at breakneck speed. I have seen ragged migrants from the countryside walking slowly on crumbling sidewalks. But I have yet to spot people walking "with a shuffle, their shoulders slumped, casting a leery eye toward strangers who might be armed."

Nor is the rest of the article especially accurate. While cautious in making new commitments, most donors have not suspended their aid programs and are fulfilling current commitments, including those that extend into 1998. As for security, there have been fewer public displays of weapons in Phnom Penh since the coup, as Hun Sen's People's Party now exercises unchallenged military control.

Cambodia is a troubled place with a wounded population struggling to overcome a legacy of societal destruction dating to the late 1960s. But the Cambodians I know and work with are in the process of creating something new.

They are deeply anxious as they enter another year of elections and possible political turmoil, but they have hope. They refuse to accept that "their lot in life is to be defeated," as the unnamed European diplomat quoted in the article put it.

Journalists visiting Cambodia never seem to get beyond the story of Cambodians as the late 20th century's ultimate victims. The Cambodian people, however, are gradually leaving this story behind.

JOEL R. CHARNY.
Phnom Penh.

Asia and Democracy

Regarding "The Dark Side of 'Asian Values' Turns Miracle Into Mess" (Nov. 25):

The really contentious issue between Western and Asian countries has for some time been whether sustainable development — balanced economic growth, social development and environmental sustainability — can be divorced from genuine democracy.

Some argue that many Asian countries are already democracies, but this is not quite correct.

A democratic society is not simply one based on the rule of law, with a Parliament and a constitution. Democracy is also about the predictable and unbiased enforcement of the law, about political pluralism, about transparency and accountability in the exercise of political power.

Democracy is about the management of a society's public institutions — political, financial, judicial — for the common good.

Clearly such manifestations of genuine democracy are needed in an increasingly interdependent world in which confidence-building measures are crucial.

THIERRY ROMMEL.
Brussels.

Iranian Women

Regarding "Tough, Smart Women, Working to Better Iran" (Opinion, Dec. 10) by Catherine O'Neill:

As an Iranian woman and as a dissident, I — like many of my freedom-loving compatriots — must vehemently protest Catherine O'Neill's complacent article.

How dare she justify the imposition of the chador ("The uniformity of the chador is a way of uniting women")? She should be aware of the severe consequences, including disfigurement, for Iranian women who defy this tyrannical statute.

NASRINE NAZIH.
Paris.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

BARNEY'S VERSION

By Mordecai Richler.
384pages. $25. Knopf.

Reviewed by
Jonathan Yardley

THIS is Mordecai Richler's 10th novel in a long, productive career that has established him, along with the likes of Robertson Davies and Margaret Atwood, among the principal figures of the postwar Canadian literary scene, which is considerably livelier than is commonly understood.

Like most of its predecessors, "Barney's Version" is set in and about the Montreal Jewish community of St. Urbain Street and draws heavily upon its author's experiences. It is funny and engaging, and Richler's admirers will not want to miss it, but somewhat more objective readers are likely to sense that Richler has revisited familiar ground once too often.

It is something of an oversimplification, but Richler is at heart a comic writer. This is not to say that he eschews serious themes but that he usually finds humor in them. Although he writes often about men and women and the romantic misadventures that befall them, he is especially interested in men in groups. Over and over again he returns to a small, bumptious gang of men — young ones, as his own career began, now old ones — who grew up together on St. Urbain Street. They are almost mirror images of the male Jewish Baltimoreans whom Barry Levinson portrayed so memorably in his film "Diner": smart, funny hell-raisers rebelling against their parents and convention even as they seek their own places in the world of wives and children and jobs.

Barney Panofsky, the eponymous protagonist — hero, too, in his fashion — of "Barney's Version," is 67 years old but, like any good St. Urbain Street boy, still drinks too much and chases skirts and does deals of dubious propriety. Yet his energy is directed more toward the past than the present, "rewinding the spool of my wasted life, wondering how I got from there to here," as he goes about writing "my one and only story, and I'm going to tell it exactly how I please." He claims that he has "only insults to avenge and injuries to nurse," and indeed plenty of that takes place, but the mood is more Decembral than vengeful, as Barney looks back fondly on the lost Montreal of his youth and as he pines for his third wife, Miriam, whom he adores but who finally had more of his demands and inattention than she could stomach.

"Barney's Version" is a sprawling, amiable book in which it is not difficult to get lost. Characters, some clearly important, arrive and then depart for so long that they are forgotten, leaving the reader to wonder, when they reappear, precisely who they are.

The death of an old pal, Bernard (Boogie) Moscovitch, is meant to be the story's central episode — Barney is accused, and exonerated, of his murder — but there are extended periods in which his name is scarcely mentioned. Ditto for Leo Bishinsky and Duddy Kravitz — whom Richler fans will remember fondly from that fine early novel "The Apprenticeship of Duddy Kravitz" — and others ostensibly important to Barney yet never really brought into clear focus in this ramble through the old man's life. It is a problem of which Barney, i.e., Richler, is disarmingly aware:

"Last night I made a big mistake. I reread some of the crap I've written in what I've come to grandly consider my very own Apologia pro Vita Sua, with a tip of my chapeau to Cardinal Newman. Digressions, or what I prefer to think of as Barney Panofsky's table talk, abound. But Laurence Sterne got away with it, so why not me? Count your blessings. Readers don't have to wait until the end of volume three before I'm even born. Something else. It doesn't take me six pages to cross a field, as it would if this had been Thomas Hardy. I rein in my metaphors, unlike John Updike. I am admirably succinct when it comes to descriptive passages, unlike P.D. James, a writer I happen to admire."

That is a deft passage, but it points to another aspect of this novel that is likely to confuse some readers: It is a highly literary novel about a distinctly nonliterary man. Yes, Barney refers often to his happily misspent youth in the literary garrets of Paris, and writes with admiration about the principled literary aspirations of his friend Boogie, but he himself is an operator whose modest wealth has been earned in earthy enterprises, most notably Totally Useless Productions, which produces run-of-the-mill television programs.

THIS is not to say that success in the workaday world is mutually exclusive of literary interests but that Barney's knowledge of books and authors seems to reflect Richler's rather than his own.

"I dislike most people I have ever met," Barney says, "but not nearly so much as I am disgusted by the Right Dishonorable Barney Panofsky. Miriam understood. Once, following an all-too-characteristic drunken rage on my part, which led, inevitably, to my seeking sustenance from a bottle of Macallan, she said, 'You hate those TV shows you produce, and you're filled with contempt for just about everybody who works on them. Why don't you give it up before it gives you cancer?'" Thus apparently we are meant to see Barney as someone who has been denied — by himself, or by fate, or by both — his true calling, yet he seems considerably happier than he lets on, quick to find pleasure in the conquests he makes and the triumphs he scores.

His story is meant to be an act of revenge against one Terry McIver, a modestly successful writer against whom he has long nursed a grudge. But McIver, like too many others, gets lost so often that he's barely a presence in the book he allegedly ignited.

As it happens, the other elements of the tale are sufficiently interesting to carry it by themselves: Barney's failures with all three of his wives, his business dealings, his friendships and enmities, his ambitions and frustrations. He may not be a very nice guy, but it's easy to sympathize with him and to care about him.

Yet even though he readily acknowledges the discursiveness of his book, that disclaimer is not enough to straighten matters out. The pleasures of a ramble are not to be taken lightly, but there are too many times in "Barney's Version" when one is left to wonder where, exactly, this particular ramble is headed.

Washington Post Service

BRIDGE

By Alan Truscott

THERE was a surprising oddity, perhaps unique in practical play, about the diagramed deal. Rose Johnson, sat North with Rick Zucker of Tarrytown, New York, South.

They briskly reached six spades, which is not difficult. A trump lead was won with the queen and the diamond king was cashed. the declarer led to the club king, collecting East's queen. He then ruffed a diamond and drew trumps with the jack and the king.

Next he led a club and won with the jack when West played the nine. A heart was led to the king, and the club eight was finessed. The ending is shown below.

Zucker had taken advantage of favorable breaks to make an overtrick. So what was the oddity?

The last four tricks were won by the ace of clubs, ace of hearts, ace of spades and ace of diamonds.

NORTH
♠ Q J 5 3
♡ A 9 6 2
♢ K
♣ A J 8 2

WEST
♠ 10 6 4
♡ J 7 5
♢ 8 3
♣ 10 9 6 5 3

EAST
♠ 9 2
♡ Q 10 8 4 3
♢ Q J 10 7 4
♣ Q

SOUTH (D)
♠ A K 8 7
♡ K
♢ A 9 6 5 2
♣ K 7 4

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♢	Pass	1 ♡	Pass
1 ♠	Pass	2 ♣	Pass
3 N.T.	Pass	6 ♠	Pass
Pass	Pass		

West led the spade four.

NORTH
♠ —
♡ A 9 6
♢ —
♣ A

WEST
♠ —
♡ J 7
♢ —
♣ 10 6

EAST
♠ —
♡ Q 10
♢ Q J
♣ —

SOUTH
♠ A
♡ —
♢ A 9 6
♣ —

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INTERNATIONAL

Fearful Serbs Fleeing Last Enclave in Croatia

'All Debts Must Now Be Paid,' Leaflets Warn As Exodus Steps Up Before Handover by UN

By Chris Hedges
New York Times Service

TENJA, Croatia — For the last few days, leaflets have been scattered from passing cars on a quiet, residential street that bear a message many people here in Eastern Slavonia said they would heed.

"It is one minute to midnight," the leaflets read. "In December we will start to place you in reservations. We love to hunt game, especially when it is bearded. It is time. Think well. We kill silently, but never gently. All debts must now be paid."

In bold letters below were the words "For Home!" and "Ready!" — slogans of the fascist Croatian Ustashe regime that killed hundreds of thousands of Serbs, Jews and Gypsies in World War II.

"It wasn't necessary," said Zeljko Podbarac, 31, as he stood in his three-room home with his wife and two small children, surrounded by piles of crates and boxes. "We know there is no place for Serbs in Croatia. There will be no one left on our street soon, except for a few of the very elderly. Our life, after 17 years here, is over."

On Jan. 15, Eastern Slavonia, the last Serbian-held enclave in Croatia, is to be handed over to the Croatian government by the United Nations authorities who have administered it for two years. The transition was supposed to herald the successful integration of an ethnic minority into one of the nationalist republics that broke away from Yugoslavia.

There are increasing signs, however, that many, perhaps at least half, of the 120,000 ethnic Serbs who live here will soon flee to Serbia or the Serbian-held area of Bosnia-Herzegovina in the coming weeks.

Border officials say that since the beginning of the month as many as 300 people a day have been leaving Eastern Slavonia, their belongings usually piled on farm carts pulled by tractors.

There have been two grenade attacks against ethnic Serbs by Croats this week. Numerous families have complained of telephone death threats and some 3,000 people, many of whom work in local government, have been denied Croatian documents and say they fear they will be arrested when the Croats come in.

"The numbers of departures are steadily mounting," said Milos Vojnovic, president of the council of municipalities in the enclave.

"If this trend continues, the entire transition process will collapse."

When Croatia declared its independence from Yugoslavia in 1991, the strident nationalist rhetoric and Zagreb's adoption of the symbols of the Ustashe pushed many ethnic Serbs into open rebellion. The ethnic Serbs, who once made up 12 percent of Croatia's 5 million people, set up three autonomous enclaves in Croatia — Krajina, Western Slavonia and Eastern Slavonia — with Belgrade's military backing.

Croats in the three enclaves were expelled, despite three months of street fighting by Croatian volunteers that leveled the nearby city of Vukovar. In the mayhem a few hundred Croats were rounded up and executed by the Serbs and about 10,000 died in combat.

In the spring and summer of 1995, Croatian troops, bolstered by an infusion of new military hardware and training by retired American soldiers, swiftly took Western Slavonia and Krajina, driving about 300,000 Serbs from their homes. It was as Croatian troops were massing for an attack on Eastern Slavonia that the U.S. ambassador, Peter Galbraith, and Assistant Secretary of State Richard Holbrooke hammered out the transition agreement.

The transition plan called for a gradual return of Croats who used to live in Eastern Slavonia and the return of ethnic Serbs to homes in other parts of Croatia. The animosities, however, have proven too deep to overcome. The Croats, who pay periodic visits to their old homes in Eastern Slavonia, have not moved back. The ethnic Serbs, many of whom would like to go home, have been blocked from returning to other parts of Croatia by the authorities in Zagreb.

The arrival of large groups of embittered Croats next month, many of whom were displaced to neighboring Osijek during the fighting six years ago, could unleash pandemonium, United Nations officials said.

The government of the Croatian president, Franjo Tudjman, has promised to respect the rights of the ethnic Serbs in Eastern Slavonia, about 60,000 of whom had been driven out of other parts of Croatia. But there are signs that life could be difficult for those who remain.

Branislav Kibasic, 28, drives a tractor on a large state-run farm in Tenja, three kilometers (two miles) southeast of Osijek. The property was returned to the Croats four months ago. He and a group of workers from the farm said that none of the 126 employees had received their salaries since the Croats resumed control. They said they had also been prevented from signing new work contracts.

"The message is clear," he said. "We are not wanted. I will leave in a week with my wife and two small boys for Serbia. No one I work with intends to stay."

Mike Wilson/Reuters

Young South Koreans shielding their ears at a Seoul rally Wednesday for the presidential candidate Rhee In Je.

SEOUL: *Presidential Hopefuls Woo Youths Who Face Tough Times*

Continued from Page 1

As presidential candidates appeal to youth through computers, college organizations, comedians, pop music, glitzy ads and popular actors, South Korea's young face daily bankruptcies, growing unemployment, rising food prices and a growing sense that austere times are ahead.

At least one businessman a day is committing suicide, according to the Korean Federation of Small Business. Business failure is equated with dishonor in this Confucian society, and the loss of jobs hits hard. A record 15,000 bankruptcies are expected this year.

Fortunes are changing quickly here. Millions raised among the miraculous riches of the new South Korea, where it seemed everyone had a personal portable phone and fax, are suddenly finding a Christmas shopping spree and going to college in the United States out of the question.

"I can't understand this situation," said Kim Choong Shik, 28. "From November, I've felt under a lot of pressure and a lot of stress. My head aches. My stomach hurts."

For politicians, it is difficult to calculate how to appeal to such stressed-out youths in the midst of the current financial crisis.

"I'm very angry," Kim Choong Shik said. But at whom? "Sometimes I'm angry at our government, sometimes at the bankers and the International Monetary Fund and sometimes American journalists."

And sometimes, he conceded, "I'm very angry at our country."

For people like him, the financial crisis goes beyond economics to the core values and assumptions of his entire life.

"The important thing is not the gross domestic product," he said, "It's our sense of values."

"We don't know where we're going," he said.

Lee Myung Ho, 38, an investment consultant, suggested that the current financial crisis could make the mentality of the younger generation radically different from that of their driven parents.

"Because of the Korean War when we were so devastated, in their minds Koreans thought: 'We must prosper. We must get into the Top 10 economic powers,'" Lee Myung Ho said. "But now we have to think about that. Do we need to be the richest? Maybe we weren't meant to be Michael Jordan. Maybe we were meant to be Mugsy Bogues."

In the headlong drive toward riches and respectability, much was sacrificed: the environment and quality of life as well as clean politics and business dealings. Next year, South Korea celebrates its 50th anniversary as a nation, and with the coming of the turn of the century, many people talk here of the New Korea that is emerging.

According to the International Monetary Fund, the country is already showing signs of a shift toward a new economy, one more open to foreigners and which operates according to free market principles instead of the traditional Korean protectionism.

Some are concerned that young people are less wary of the dangers of well-armed North Korea and the social and financial costs of reshaping and refiring the economic engine. But others have great hope that the young demographics of South Korea will be a boon. Do Jong Soo, vice president of the Korea Institute for Youth Development, said that many schools were already preparing students for a competitive job market that some analysts say will soon have 1 million newly unemployed.

"They are aware of the current situation," he said. "The schools are teaching austerity."

Because young people do not vote in the same huge numbers as older people and the race is considered a dead heat, much analysis was placed Wednesday on the role of youth at the polls Thursday. Many said that a heavy turnout by young people would benefit the main opposition candidate, Kim Dae Jung.

"Young people want change," said Kim Soo Ki, 21, at a rally for Kim Dae Jung in the Myundong shopping area Tuesday night. "They want to get rid of the same old guys that have been running this country forever last night."

As he spoke, a giant television screen showed film footage of Kim Dae Jung's 40-year quest for the presidency and loudspeakers blared the former No. 1 song in the country: "Dance with DJ Doc," which is a hugely popular pop group. Kim Dae Jung, known to everyone as DJ, has adopted the song and used it in slick, effective TV advertising.

"We need a new direction," said Park Sung Ok, 28, an electronics company employee who could barely be heard from the campaign music blaring in the shopping area. "I still don't know who I am voting for, but I am tired of what we have had."

TALK: *Clinton Doesn't Stop*

Continued from Page 1

he considered the signal accomplishments of the past year: the balanced budget agreement, new funding for education programs, ratification of a chemical weapons treaty and the global agreement to reduce greenhouse gas emissions. In several long passages, he spoke passionately about his efforts to engage the nation in a dialogue on America's abiding pain over race and affirmative action.

But the more important message he hoped to convey was that 1998 "will be a year of vigorous action on vital issues that will shape the century to come."

Mr. Clinton returned to the theme of action and engagement several times in the news conference in a conscious effort to dispel the notion that he was coasting as his 30-year political career was winding down.

His first five years laid the foundation, Mr. Clinton said. His next three years would complete the job, he vowed.

"From education to the environment, from health care to child care, from expanding trade to improving skills, from fighting new security threats to promoting peace, we have much to do both here at home and abroad," Mr. Clinton said.

The president's answers at times took on an almost pleading tone, imploring his audience to take notice of his deeds and proposals. He told one questioner that it was difficult to "shadowbox" with the unnamed critics who sniped at him in news articles. Later, he said that beating up on the president appeared to have become a national civic ritual.

"It's almost a citizen responsibility to criticize the president," Mr. Clinton said. "I mean it's — why be an American if you can't criticize the president?"

Later, he expressed the perennial presidential complaint that he could not deliver his message to the American people because the media would not report what he was doing and saying.

The president admitted that his own prolixity was in part responsible for his inability to engage the public on difficult issues of social policy. Mr. Clinton gave one exceptionally long answer to a question about affirmative action and racial preferences, discussing in one dense passage after another college admissions, a recent vote in Houston and bank lending practices. Finally, he said, "I haven't given you a clear answer because it's not a clear problem."

Mr. McCurry said he tried three times to signal the president to cut off the questioning, but Mr. Clinton just ignored him. "I think the real story here is that the president showed his utter disdain for his press secretary," Mr. McCurry said.

At about the 88-minute mark a desperate aide back at the White House sent Mr. McCurry an electronic page. "Tell him Buddy's getting lonely," his beeper flashed.

Mr. Clinton then took three more questions and delivered a two-minute summation before yielding the lectern.

ISRAEL: *U.S. Pressing Arafat on Hamas*

Continued from Page 1

terrorism, both on his own and in cooperation with Israel, and that the Americans have accepted the logic of security for land.

So the written plan is meant to specify what security means.

It is also meant to answer Israelis and American Jews who have asked the Clinton administration what specifically it is demanding from Mr. Arafat as it presses Mr. Netanyahu to give up territory.

"It finally asks something of Arafat," an Israeli official said.

"It's not just a general promise, but something that can be followed and checked, with benchmarks."

Mr. Arafat's team has produced a draft, officials say, which has been commented on by both U.S. and Israeli officials. The Israelis have given Mr. Arafat their own draft of what his security paper should say.

"We don't expect them to adopt our draft," an Israeli official said. "But at least they know what we want. Theirs will be different but they know what terms we want them to meet."

The Israelis, for example, are demanding that the Palestinians agree to extradition, with the full understanding that Mr. Arafat will not agree to that.

"But there are other things they can do," the official said, such as breaking up known military cells and arresting particular people, "and it's important that they should do them."

The Israelis also do not expect Mr. Arafat to eliminate Hamas, which does important charitable and religious work in the West Bank and Gaza Strip.

"He can't root out the mosques and welfare organizations," the official said. "But he can root out the military wing of Hamas, which supports the terrorists and the bombers."

Last summer, after a string of suicide bombings threw the peace process into a crisis of stagnation and lack of trust, Washington began a new effort, which is slowly culminating, to revive confidence between the Israelis and Palestinians.

Under the Oslo and Hebron peace accords, Israel is committed to three withdrawals, with their size to be determined by Israel. The Palestinians are equally commited to intensive security cooperation, but its terms have always been left vague.

Now, despite the terms of the Oslo accord, Washington is trying to influence the size of the Israeli withdrawal and to push the Palestinians to be more specific about their commitments.

Clinton administration pressure has produced a commitment from Mr. Netanyahu and his cabinet to make a withdrawal and Washington has strongly urged that it be "significant and credible," representing between 10 and 15 percent of land under Israeli control.

Washington also wants most of the land to be transferred from full Israeli control, known as "area C."

Israel's first proposed withdrawal last March, which the Palestinians rejected, would have transferred only 2.7 percent of the land from area C.

A senior Israeli official said that the American pressure on Mr. Arafat to produce a security plan was important but not sufficient, "because there will always be so many loopholes."

"The important point is what actually happens on the ground, and this is something we can quantify and measure over time," the official said.

That is one reason Mr. Netanyahu has talked about delaying the start of a withdrawal to five months after an agreement: to measure Palestinian fulfillment of obligations.

"If he doesn't deliver," the second Israeli official said, "Arafat realizes he has to deal with the Americans and not with us.

"The problem is that the Americans have kept his expectations high, which enhances his brinksmanship. And sometimes brinksmanship can lead to the brink.

"It's up to the Americans to lower his expectations."

SCARE: *Lighting Effects on Japanese Cartoon Show Give Viewers Seizures and Nausea*

Continued from Page 1

based on characters in a video game produced by Nintendo Co. The company's shares plunged on Wednesday, recovering to close at 12,500 yen, down 200 yen or 1.6 percent. A spokesman for Nintendo said the video game was only in black and white, not in color.

The weekly show has been broadcast on 37 TV stations nationwide since April and has the highest ratings in the Tokyo area in its 6:30 P.M. slot.

The first victims had been watching the program separately at homes all over Japan, and doctors and psychologists discussing the illnesses on national television did not suggest that mass hysteria was involved.

After a second wave of seizures among children watching videotapes of the program on Wednesday, a nationwide video-rental chain responded by saying it would pull the series from its shelves.

It was not the first time that children have been made ill by Japanese animation. Several years ago, a handful of teenagers suffered seizures while playing video games sold by Nintendo. The company now attaches a warning of epilepsy-like symptoms triggered by the games' optical stimuli.

In Japan, a country where garishly illustrated and often violent animation is popular, some people are urging the government to monitor the images that children watch on TV more closely.

"I hope broadcasters would investigate it thoroughly and take precautions to avoid similar problems in the future," said Mrs. Murakami, who complained that TV programs did not provide any warnings about content.

Kyoichi Sato, a spokesman for the Post and Telecommunications Ministry, which oversees television and radio broadcasting, said that officials were investigating and that the case could lead to new programming guidelines.

Tuesday's "Pokemon" featured a child and a monster who were inside a computer battling a program designed to kill viruses.

The program's producer, Takemoto Mori, said he had used similar flashing effects in most of the previous "Pokemon" shows, with slight variations in color and background combinations.

"During editing, that particular portion didn't call my attention or bother me," Mr. Mori said. "I'm really sorry that the kids got sick watching their favorite cartoon."

Toshio Yamauchi, an epilepsy expert at Saitama University of Medicine, near Tokyo, said that the viewers' symptoms suggested a one-time attack triggered by optical stimulus, which is different from epilepsy, the Kyodo press agency said.

Prime Minister Ryutaro Hashimoto said the effects of the cartoons "have not been fully determined."

(AP, Reuters, Bloomberg)

The Associated Press

A teacher tending a pupil at a Hong Kong school where a 5-year-old developed "bird flu." Out of 9 Hong Kong cases, 2 have been fatal.

FLU: *Fatal Virus Puzzles Health Experts*

Continued from Page 1

across the border in China. Other steps include public health announcements on radio and television advising people on how to prevent the spread of influenza in general, an increase in monitoring of chickens for signs of the disease, and area hospitals reporting unusual deaths or illnesses.

Hong Kong's ubiquitous fresh markets were also ordered to improve their hygiene, including washing off the floors more frequently with soap and water and ensuring that dead chickens are cleared away. "If a chicken gets the virus, it will die very soon," Miss Ling said.

The symptoms of "bird flu" are classic for influenza: sore throat, fever, muscle aches. But the symptoms worsen over time.

MANDELA: *She Halts Nomination Bid*

Continued from Page 1

phase of his withdrawal from official public life. He was elected party president in 1991, a year after his release from 27 years of political imprisonment imposed on him by the apartheid regime. In 1999, when the next election is to be held, he will not run.

Mr. Mbeki, 55, will most likely become the next state president. A longtime party official and economist, he is already running most affairs of state.

Speaking of the party transition on Wednesday, Mr. Mbeki said, "What'll happen is a continuation of what we've been doing for very many years."

He added that the party, which holds a parliamentary majority, would improve delivery of its promises of housing and jobs for the black majority and the overall transformation of a society still defined by white socioeconomic dominance.

In his valedictory speech to the party on Tuesday, Mr. Mandela aimed uncharacteristically harsh criticism at white politicians and the white press, accusing them of opposing his government's reform agenda and trying to protect racial privileges of the past.

Though the speech seemed to signal a departure from the politics of reconciliation that have been a hallmark of Mr. Mandela's administration, Mr. Mbeki said, the speech was a realistic assessment of the last three years and "not intended to result in a program of actions."

The nation's white minority, only 12 percent of the population but still in control of the economy, will continue to be the target of an effort "to get people to understand that the creation of a non-racial society is not only in the interest of black people but also of white people," Mr. Mbeki said.

The depth of the party rank-and-file's belief in unity was clear when several delegates were asked their reaction to Mrs. Madikizela-Mandela's withdrawal from the race. No official count on her nomination vote was issued, as counting was suspended when she withdraw. But a show of hands appeared to be far short of the 25 percent of delegates that was needed for a nomination to pass.

Ex-Israeli Agent Goes on Trial Over False Intelligence

The Associated Press

JERUSALEM — A retired Mossad agent went on trial behind closed doors Wednesday for fabricating information that reportedly pushed Israel and Syria to the brink of war.

The former agent, Yehuda Gil, 63, pleaded not guilty to the main charges, but entered a guilty plea on lesser allegations, Israel radio said.

Mr. Gil was arrested a month ago and indicted on charges of fraud, embezzlement and passing information with intent to damage state security. News reports said that false information allegedly passed by him provoked responses last summer that could have led Israel to the brink of war. Court papers said his reporting could have led to loss of lives.

Mr. Gil retired in 1989. He was quoted as telling the Tel Aviv daily Yedioth Ahronoth that he kept on passing information because he still felt the need to prove himself. The daily said that he cultivated a high-ranking Syrian official who in 1975 provided Israel with vital information. But later Mr. Gil allegedly made up information and kept payments intended for the Syrian.

Convicted Legislator Resigns in France

Reuters

PARIS — Henri Emmanuelli, a senior Socialist, resigned from Parliament on Wednesday, a day after the French Supreme Court upheld his corruption conviction and a two-year ban on his holding public office.

Mr. Emmanuelli, who served as chairman of the National Assembly's Finance Committee, said in a letter to Speaker Laurent Fabius that he had ruled out requesting a pardon from President Jacques Chirac.

The high court confirmed Mr. Emmanuelli's 18-month suspended prison sentence for illicit party fund-raising that was handed down in 1996 by a trial court in Brittany.

INVESTING IN GREECE: TELECOMMUNICATIONS

JOHN HOGARTH

The Greek Telecommunications Organization (OTE) stands tall in Athens. As part of its privatization, OTE is now enjoying success on the Athens Stock Exchange. It is also expanding its presence abroad.

INITIATIVE REACHES FAR AND WIDE

OTE's foreign arm finances many ventures.

Without government assistance, Hellascom — the foreign operations affiliate of the Greek Telecommunications Organization (OTE) — has begun to penetrate the markets of Central Europe, the Black Sea countries and the Middle East. Eight projects are being completed or are already operating in four countries.

For example, OTE has financed four projects in Lithuania. The contracts for all four were signed in August 1996, and the projects are now operated by the Lithuanian Telecommunications Authority:

* An independent digital multiplex STM-1 network for the second-largest city in Lithuania, Kaunas, with 29,000 ports and 118 kilometers (73 miles) of fiber-optic network, at a cost of $9.2 million.
* A $2.8 million independent digital multiplex STM-1 network for the city of Alytus, with 11,000 ports and 8 kilometers of fiber-optic network.
* A $2.9 million, 380-kilometer backbone network of fiber-optic network, which is under construction.
* A $4.1 million digital multiplex STM-1 network, with 14,000 ports and 66 kilometers of fiber-optic network, which is under construction in the city of Trakai.

In Armenia, where OTE has just announced the acquisition of 90 percent of the state telecoms company Armentel, Hellascom is financing two projects that are under construction:

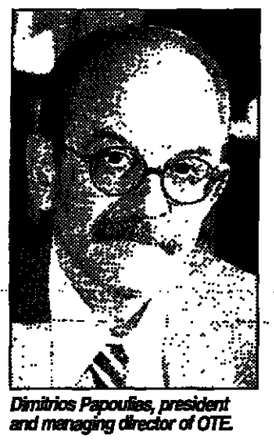
* A $7.3 million backbone network for the southern part of the country, involving 445 kilometers of fiber-optic network and an STM-1 multiplex system.
* A $9.4 million backbone network for the northern part of the country of 450 kilometers of fiber-optic network and an STM-1 multiplex system.
* In Georgia, OTE is financing a backbone network involving 580 kilometers of fiber-optic network with STN-1, STM-4 and STM-16 multiplex systems, at a cost of $12.1 million. The contract for this project was signed Oct. 4, 1997.
* In Jordan, Hellascom is participating in the establishment and operation of a phone-card system with the participation of Al-Nisr and OTE. ●

OPERATOR STEPS UP ITS FOREIGN FOCUS

The Greek telecoms organization is helping bring its neighbors' systems up to Western standards.

With the liberalization of the telecommunications market in Greece, the Greek Telecommunications Organization (OTE) took two steps to ensure continued expansion and profit.

It sold 20 percent of its shares through the Athens Stock Exchange, and it turned its attention to international operations — mainly in the Balkans and Eastern Europe. This coincided with the opening of the markets of Eastern Europe, where people were demanding telecommunications services equal to those of the West.


Dimitrios Papoulias, president and managing director of OTE.

Naturally, Western industries raced to enter these new markets with their advanced technology.

At first, the opening of the markets of Greece's Balkan neighbors presented a challenge for the OTE, which was ready to compete for a slice of the pie in nearby areas in collaboration with major European companies. Its international position was also enhanced through the partial privatization of its shares through the Athens Stock Market and their circulation on most international stock exchanges.

At the same time, its board expanded with the participation of private members, and its mentality changed from that of a monopoly to that of a company aiming to satisfy its clients' needs.

For the first time in its history, OTE had to operate under the supervision of another body, the newly formed National Telecommunications Board, which is responsible for ensuring fair competition among all telecommunications agents in the country and preventing the preferential treatment of OTE.

The European Commission allowed Greece to maintain the monopoly on telephone lines until the year 2000. OTE has used the period to prepare itself to face foreign competitors both at home and abroad.

Foreign affiliate

For its operations abroad, OTE created Hellascom, an affiliate staffed by some of its best executives and geared to penetrating foreign markets.

"Hellascom's objective is to obtain for Greek telecommunications a share of the international telecommunications market," says one of OTE's leading executives.

Political observers also see Hellascom as a tool for the promotion of Greek strategic economic goals in areas of major importance to Greece, such as the Balkans and the Black Sea area.

To succeed in its field, Hellascom combines elements of the public and private sectors of the economy. It operates under private enterprise rules, and its capital was formed with the participation of all Greek industries in the telecoms field.

"Hellascom is a dynamic company of a high caliber, with low operating expenses, a limited number of permanent personnel and many special collaborators, according to circumstances," says an OTE executive.

Operating under these conditions, the company is able to respond to the requirements of its clients both within and outside of Greece.

"We are the spearhead in areas and countries where OTE intends to buy a share of the privatized local telecommunications agencies, or to participate in major construction projects," says a senior Hellascom official, who explains that Hellascom is open to any combination of construction and financing of major telecommunications projects in targeted countries.

Such projects include independent digital networks, land and underwater fiber-optic networks, digital trunk networks and wireless networks, to name a few examples.

Financing entails full responsibility for handling projects, coordinating suppliers and subcontractors, using materials and interconnecting the materials to existing and operating networks.

OTE

Modern telecoms are part and parcel of Greece's modern life.

Hellascom's main focus is to complete projects for which it can provide financing. The company also operates in combined telecommunications networks through joint construction financing.

Hellascom is not allowed to build or to operate OTE projects. It can, however, seek projects from other public or private agencies.

Thus far, all the projects built by the company have been delivered within their contractual deadlines and have been of high quality, allowing Hellascom to initiate the necessary procedures to obtain an ISO 9001 quality certificate.

Main achievement

According to its top executives, Hellascom is focusing its attention on the Balkans, the Caucasus-Eurasian area, Central and Eastern Europe and the Middle East. In some of these areas, Hellascom has undertaken — alone or with OTE — 12 projects, formed two operational joint ventures and established three representative offices abroad.

"Our main achievement is that Hellascom has not only created the conditions for undertaking new projects, but has also made the presence of Greece noticeable in many areas of the world," says a senior executive proudly. ●

CALL-BACK: STILL NOT KOSHER

Call-back service, usually a competitor of established public telecommunications operators, can offer users substantial savings.

Most U.S.-based call-back services rely on uncompleted call signaling: A customer outside the United States dials a U.S. telephone number and, after a certain number of rings, hangs up. The U.S. call-back company then calls the foreign number and, when the original caller answers, he or she hears a dial tone from the U.S. location. The customer can then place a call to the United States or to another country.

The call-back customer does not pay the U.S. carrier or foreign carrier for the initial uncompleted call.

Limited service

Alternatively, inbound international "800" (toll-free) numbers can be used to establish a connection to the reseller's U.S. facility. In such cases, the foreign caller pays only the call-back provider for the second U.S. call, and the reseller recoups the cost of the inbound international 800 number from its charges for this second call.

In Greece, call-back service is officially illegal, since neither the National Telecommunications Commission nor the Ministry of Transport and Communications has issued any declaration or license for it.

Nevertheless, some companies offer the service to a limited number of clients.

HEALTHY COMPETITION HELPS INDUSTRY

In accordance with EU directives, Greece is entering the final phase of liberalizing its telecoms sector.

In his effort to complete Greece's convergence with the European Union, Prime Minister Costas Simitis wants to do more than join the euro by 2001. He realizes that the country's telecommunication services, for example, must equal those in the rest of the EU.

In accordance with EU directives, Mr. Simitis has begun the phased liberalization of the telecommunications sector. He has entrusted this field to one of his ablest colleagues in the Panhellenic Socialist Movement (PASOK), Transportation and Communications Minister Anastasios Mantelis.

Anastasios Mantelis, Minister of Transportation and Communications

A man of few words but unending activity, Mr. Mantelis thinks the country's stable economy and new free market environment provide good investment opportunities for both domestic and foreign entrepreneurs.

"Greece has entered a stable period with a strengthening economy and now outperforms other European member states in economic growth. This year, GDP is expected to grow by 3.5 percent, compared with the European Union average of 2.5 percent. Inflation has been falling since 1992 and was 4.9 percent in September, a 25-year low, and the Greek drachma is stable against the Ecu," Mr. Mantelis says.

He believes that with the establishment of the National Telecommunications Commission (NTC), Greece has entered the final phase leading to the complete liberalization of this field. Since 1949, the Hellenic Telecommunications Organization (OTE) has been the only supplier of fixed-line voice telephony, and before opening the market completely to competition, Greece started privatizing OTE.

The OTE was introduced on the Athens Stock Exchange last year, and it was a complete success, even though it involved only 8 percent of the organization's shares.

"But this was not our only success," says Mr. Mantelis. "OTE had already taken significant steps to become a market-driven and customer-oriented company, with successful attempts to expand in other markets abroad and to cooperate with other international companies. OTE is not acting any more as a monopoly. On the contrary, it is expanding its operations abroad in cooperation with telecommunications giants like France Telecom and Italy's STET. During the last three years, OTE has also welcomed the establishment of foreign cellular phone companies in Greece."

Down with monopolies

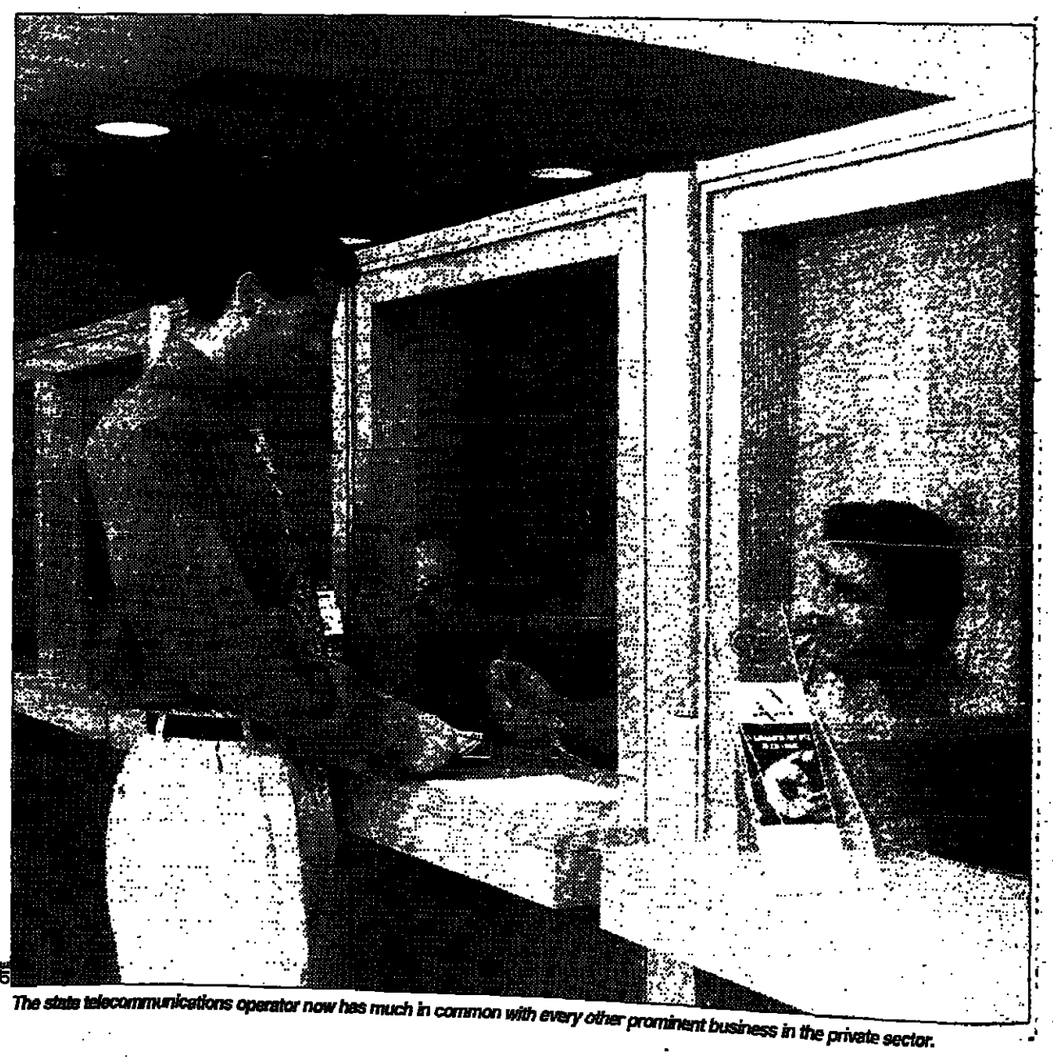
Mr. Mantelis believes that international cooperation in telecommunications is not consonant with the development of national monopolies. "Freer trade in telecommunications promises to deliver at least three economic gains: improved products and services, lower prices and additional investment," he says. "Open trade in telecommunication services would result in more competition, lowering prices for most businesses and for many customers, and providing customers with a choice of different service providers."

He says that many countries have to get rid of their deep-seated fears that opening their markets to competition means losing control of a strategic industry.

"Most markets where competition is permitted have achieved higher rates of growth than those in countries that have retained a monopoly," he says.

He points to the benefits developed economies achieve through liberalization.

"Competition has raised the growth rate of traffic per subscriber from 5.6 percent to 9.3 percent per year since 1990 [in Greece]," he says, and he thinks emerging markets will show higher benefits once they liberalize their telecommunications markets. "We should not forget that in the international arena, telecommunications is poised to be a trillion dollar industry by 1998. It comprises over half of the 'information communications' market and was the fastest-growing export sector in 1995," he says. He adds proudly that Greece is among the front-runners in that market. ●


OTE

The state telecommunications operator now has much in common with every other prominent business in the private sector.

SPONSORED SECTION

INVESTING IN GREECE

TOURISM: PULLING OUT ALL THE STOPS

No effort is being spared to welcome visitors, who are expected in greater and greater numbers.

When Juan Antonio Samaranch, president of the International Olympics Committee, announced the winner of the 2004 Olympic Games, instead of, "And the winner is . . . Athens," he could have said, "And the winner is . . . Greek tourism."

While some doubt that Athens will make the $36.7 million profit expected from the $1.6 billion extravaganza, few doubt that Greece and its tourism sector will profit immensely.

"The games will strengthen the tourism profile of our country abroad," says Aristotelis Divanis, president of the powerful Hotel Chamber of Greece, "and hasten infrastructure improvements — which is our weak spot — and generally improve Greece's picture as a tourism destination."

Resorts galore

Already, with government legislation aimed at general infrastructure improvements, investment in tourism-related projects by both the public and private sectors runs to billions of dollars. About $1.4 billion is being spent to improve existing Greek airports, $189 million on hotel modernization and $271 million on new marinas, golf courses, *mountain trails, eco-tourism* projects, thalassotherapy (sea-water therapy) and ski centers. Plans are also afoot to invest some $340 million in countryside resort villages.

Most of these projects were planned before Athens was selected for the Olympics, but they have now been helped with average government subsidies of 45 percent. As the subsidies continue to multiply, even more tourism-related projects are expected to surface within Athens, mainland Greece and the islands.

The new projects come none too soon.

Industry experts say new packages, mostly to the Greek islands, will accommodate the increased number of tourists expected from now until at least two years after the games. And while Mr. Divanis, a major Athens hotel owner, does not believe the capital needs additional hotel units, he is in favor of new upscale units in the provinces and on the islands.

Natural advantages

Takis Antoniou, president of the country's travel agency association and chairman of one of the country's largest travel agencies, Plotin, believes Athens and Greece need increased investment in deluxe hotel units and in professional services. He does not exclude mergers of Greek companies with other European ones as a means to this end.

"We are all aware that eventually only professionals who offer better value and better service will remain in the trade," he says. "The 2004 games force a faster move in this direction."

Kostas Koulouvatos, head of Hermes Touristic & Hotel Enterprises, one of the country's oldest tourism groups, is *not concerned* about the private sector's success.

"The games will do as much good as we allow them to, and the private sector will do its part as individual units, but the main responsibility lies with the state machinery."

For the tourism industry to take proper advantage of the Olympics, he says, the National Tourism Organization (EOT) should promote the country's natural advantages, beginning now, and ensure that infrastructure projects are carried out quickly and efficiently. One crucial project is a conference center that would draw more people to Greece.

Star system

Nikos Skoulas, secretary general of EOT, says Athens will get the conference center, along with a conference bureau, soon because the project has the full support of Prime Minister Costas Simitis. This is a high priority, but Mr. Skoulas is even more concerned with increasing the quality of tourism projects. Projects already under way include improvements in the highway and rail networks, suburban transport systems, air transport (including a new Athens international airport) and telecommunications.

Mr. Skoulas adds that government projects such as increased security of tourism establishments — each summer 1,500 police graduates are loaned to the tourist police force — add quality to the industry, as does the new classification system for hotels, restaurants and recreational establishments.

The new star system is compulsory for all hotels. Classification will change from strictly structural considerations to structural, aesthetic and functional ones. Special emphasis will be placed on the gastronomic dimension as well as the variety and quality of service. There is also a voluntary restaurant classification based on original Greek cuisine and atmosphere.

Focus on quality

Greece continues to increase its share of the international tourism market. In the five-year period that ended last December, the World Tourism Organization says that international tourism increased by 30 percent, while receipts generated by international tourism increased by more than 50 percent, to $423 billion. During the same period, Greece saw total arrivals increase by 15 percent, to 9.6 million, and tourism foreign exchange receipts rise by 42 percent, to $3.7 billion.

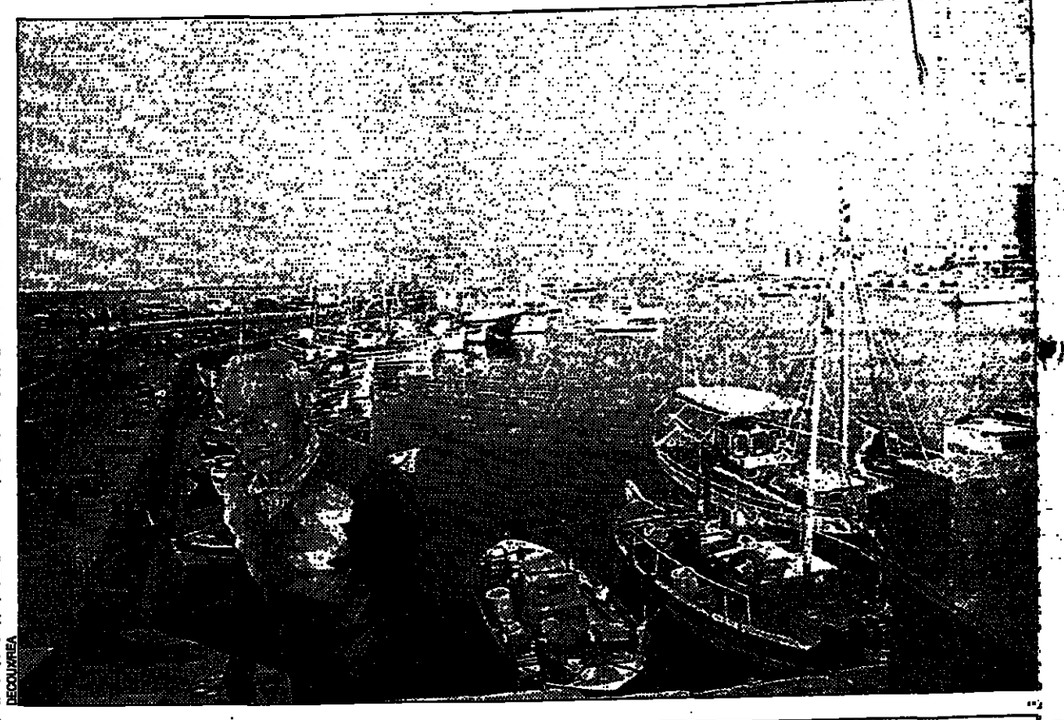
A look further into the future is even more encouraging.

By 2000, Greece expects arrivals to reach between 11.7 million and 12.6 million. Five years later, those numbers should reach as high as 14.9 million.

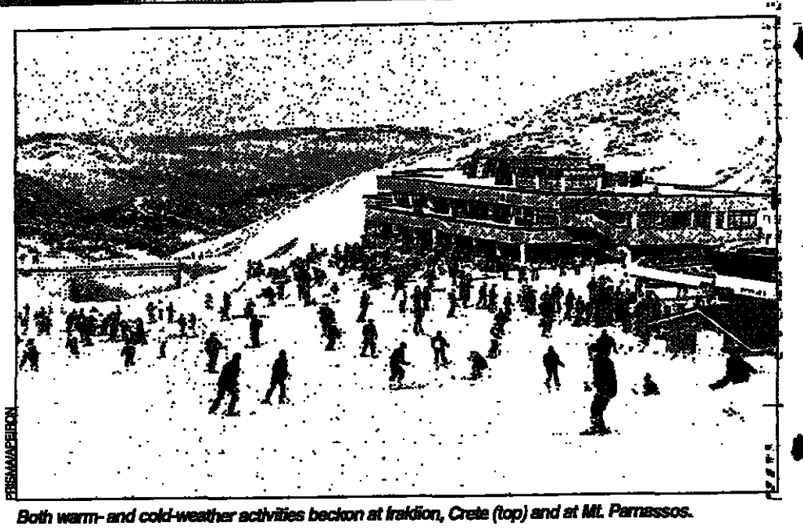
Foreign exchange receipts from tourism could surpass $14 billion by 2005, according to the country's Research Institute for Tourism, provided the private sector creates the extra 257,000 beds required to host the almost 15 million arrivals expected by 2005 and that promised quality improvements are realized.

Mr. Skoulas says quite candidly that Greece's price-value ratio was inadequate in the past but that the country now is focusing on quality in addition to cost. New packages such as thematic vacations, cultural activities, sports, conferences, incentive travel, gastronomy, health (thalassotherapy) and religious tours are now common.

But "mass leisure vacations will continue as a major product, albeit a more qualitative one," says Mr. Skoulas. ●



DECOUVREA



PRISMA/PEPPERN

Both warm- and cold-weather activities beckon at Iraklion, Crete (top) and at Mt. Parnassos.

MERGERS MAKE FOR FEWER — YET STRONGER — BANKS

The Greek banking sector will become more concentrated in the next five years, with small state-owned banks being absorbed by larger ones. The governors and directors of the major state-owned and private banks in Greece have all said there are too many banks and that mergers are the wave of the future. Fewer and stronger banks will be the key element in the new banking environment.

National Economy Minister Yiannos Papantoniou says the government is encouraging mergers and acquisitions and welcomes the injection of fresh private capital into state banks, which could also help improve their management. The government is also urging banks to train their personnel to become more specialized, in line with technological advances and new banking practices.

Theodoros Karatzas, governor of the National Bank of Greece, has been in the forefront of bankers who realize they must get rid of ailing enterprises in order to become more competitive.

"Greek banks should curb their operating costs and services. This means investing in human capital and technology, but also bank mergers and takeovers in so far as these can reduce operating expenses or ensure all-round development at a faster pace and with bearable social cost," says Mr. Karatzas.

To retain its competitiveness, he continues, Greece "needs a new generation of infrastructures and public utilities requiring the input of know-how that is not inherent in the Greek public sector, and of investment funds that are not available from the state budget."

Those are strong words from an executive who is the head of the biggest state-owned bank. He is not afraid to speak the truth when it comes to critiquing the government's past policies, policies that Prime Minister Costas Simitis is trying to modify.

Strong competition and the supply of cheaper, more sophisticated products and services are another characteristic of the changing face of banking in Greece today. For these reasons, bank management will be a great challenge for Greece when it becomes eligible to join the European monetary union (slated for 2001). At that time, the euro will be used for inter-bank transactions.

At home and abroad

In general, the state-owned banks continue to operate effectively, but they have been steadily losing business to their private rivals. Their performance has not been strong compared with the two longest-established, privately managed institutions, Alpha Credit Bank and Ergo Bank. Alpha Credit, the nation's third-largest bank, made the biggest net profit in Greek banking history in 1995, posting a result of 59.8 billion drachmas ($240 million) before taxes.

Greek banks are building associations with large European banks and are also exploiting the opportunities emerging in the wider geographical area of the southeastern Mediterranean.

Alpha Credit Bank was the first Greek bank to open a bank in Bucharest, in April 1994, when it formed Banca Bucuresti, S.A., together with a group of Greek companies and individuals.

International bank in Georgia

Also last year, the Commercial Bank of Greece and the European Bank for Reconstruction and Development (EBRD) founded the first international bank in the former Soviet Black Sea Republic of Georgia, the International Commercial Black Sea Bank-Georgia (ICBSB-Georgia). In addition, Greek banks are opening branches in Albania and Bulgaria.

Finally, banks are playing a big role in the success of the Athens Stock Exchange. Companies listed on the exchange include eight banks ranging from large capitalization bank stocks like Alpha Credit Bank and the National Bank of Greece, to smaller institutions like Piraeus Bank and the Bank of Macedonia-Thrace.

There is a high concentration of banks in the Athens general index weighting, and trading in bank stocks represents a substantial percentage of total turnover on the exchange. The five top-ranking listings on the ASE — four banks and the Greek Telecommunications Organization (OTE) — represent more than 60 percent of the stock exchange's index.

SEA CHANGES ARE SHAPING THE SHIPPING INDUSTRY

Fleet financing and management are modernizing with the fleets themselves.

Greeks today own the largest fleet of ships in the world. In March 1997, according to Lloyd's Register of Shipping statistics, more than 3,200 vessels of 127.8 million deadweight tons — representing 15.8 percent of the world's deadweight and 9.3 percent of the world's ships — were in the hands of Greek owners.

The Greek registry fleet also stands high in world ratings and is the largest fleet in the European Union, covering some 50 percent of the EU tonnage.

The nature of shipping is changing, however. In the last two years, as ship owners saw the reforms in other registries cutting away the competitive edge of the national colors, the Greek flag fleet has begun to decline. Between October 1996 and September of this year, the Greek fleet suffered a net loss of 115 vessels, totaling more than 2 million gross tons — currently below the 2,000 vessel mark for the first time in many years.

Greeks have consistently led the second-hand sale and purchase market, with billions of dollars worth of deals annually. Trade publications have estimated that between 1994 and 1996, Greek ship owners spent well over $7 billion to buy more than 1,000 secondhand ships.

Now, however, there is a steady increase in the number of new building contracts being placed by Greek companies. New, more stringent safety regulations and specifications for ships, combined with vessel valuations that some believe are unreasonably high, mean the margin has narrowed between the cost of building a new ship and buying a second-hand unit that would require conversion or upgrading.

In addition, beginning on January 1, 1999, cabotage restrictions that have protected Greek cruise ships in domestic trade will be lifted, as will cabotage restrictions on passenger ferries in 2004. The effect of this impending action has been a faster renewal of the fleet, which is beginning to include a substantial number of modern and rebuilt units.

Shipping companies are increasingly seeking public money to finance their fleet renewals. First among the Greek companies to go to the stock market was Anangel American, which was floated on the stock market as long ago as 1987.

Traditionally, Greek shipping has been a family affair, often with former seagoing masters or engineers coming ashore and setting up a small company that they then nursed to maturity.

Degree of competence

Today, many children of this earlier generation of owners have joined the companies, wielding degrees in finance and shipping studies and bringing a different philosophy to the industry.

Global Ocean Carriers floated on the American Stock Exchange, and MIF, which is listed on the Oslo bourse, are two public companies that are heavily backed by the Greek Tsakos group.

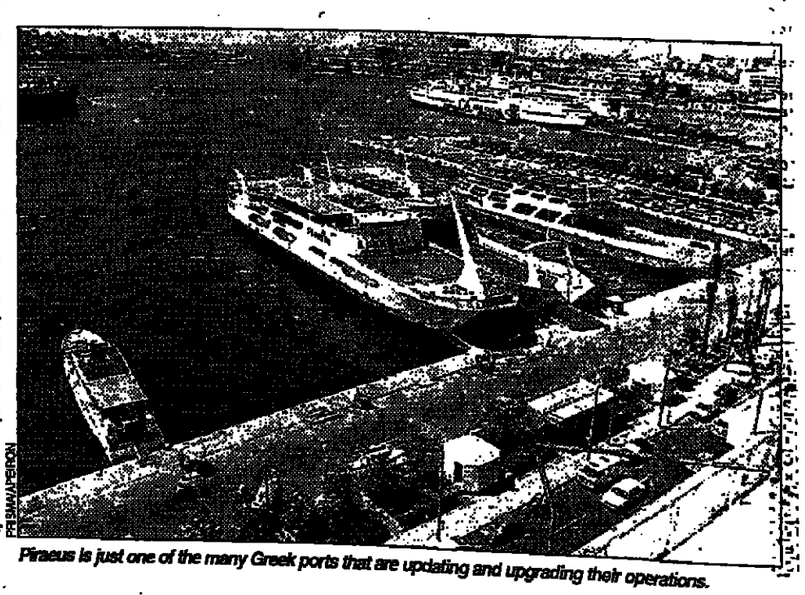
The Tsakos group, while maintaining a healthy private arm, has seen the logic of going to the capital markets. The group has spent an estimated $240 million on vessels this year.

Other companies have chosen the junk bond route. In 1993, Eletson Corporation raised $140 million from ship mortgage notes, and the Peraticos group is in the process of launching a $150 million, 10-year note.

Several other Greek companies are already known to be gearing up for public equity issues in the United States. Maryville Maritime of Greece has purchased the shell of U.S.-stocklisted B+H Maritime Carriers Ltd. and reportedly intends to build up the company and to approach the U.S. capital markets.

The local Athens Stock Exchange (ASE) has attracted local passenger shipping companies, with four currently listed. A fifth, Crete-based Minoan Lines, is shortly to join that group.

Unquestionably, the face of the shipping industry worldwide is changing, and it is not surprising that Greek ship owners are again among the innovators. ●



PRISMA/PEPPERN

Piraeus is just one of the many Greek ports that are updating and upgrading their operations.

THRIVING JEWELRY INDUSTRY HAS ANCIENT ROOTS

Much of Greek design is inspired by antiquity — not only the history of Greece, but also that of other countries.

Greeks began a love affair with gold when the ships of the Minoans roamed the Mediterranean. Agamemnon ruled Mycene and Priam reigned in Troy — and that affair is still going strong.

Bulgari, one of the best known names in European jewelry, *is Greek. So is Elias* Lalaounis, who has been made a member of the French Academy. And there are other families who have kept the Greek name alive in the jewel industry, such as Zolotas, Katramopoulos and Vourakis, to name only two.

In 1950, fewer than 1,000 men and women were employed *in the production and* trade of jewels. With the exception of a few large shops that had both technicians and salespeople, most were small family affairs, employing between one and three people who doubled as goldsmiths and sales clerks.

Today, some 50,000 people — including *technicians, goldsmiths,* salespeople, traders and exporters — are occupied in the industry, processing 14,000 kilos (30,856 pounds) of gold annually. According to Jewelers Union estimates, annual receipts total approximately $1 billion. Since about 80 percent of these receipts come from exports or sales to foreign tourists, the industry brings in $750 million to $850 million in foreign currency annually.

The revival of Greek jewelry started in 1957, when about 700 jewelers established a union and, with the help of the Greek Productivity Center, arranged for a *three-month training seminar* for goldsmiths. "It was attended by about 250 colleagues," remembers Mr. Lalaounis. As a result of the seminar, the goldsmiths organized an exhibition of watches and jewels at the Thessaloniki International Fair.

It was during that exhibition that Mr. Lalounis presented for the first time jewelry inspired by ancient Greek ornaments and copies of ancient jewels from museum pieces.

"They were not accepted well by the Greek public, but they were a hit with foreign tourists, who bought them like hot cakes," says Mr. Lalaounis.

It was foreign tourists, in fact, who turned the Greek public's attention to copies of jewelry produced by their ancestors. By 1960, all goldsmiths were using 22-carat gold — the same as the ancient Greeks — to fashion rings, earrings and bracelets with heads of lions, snakes, bulls and horned rams.

The number of jewelry shops began to proliferate in tourist centers, islands and large cities.

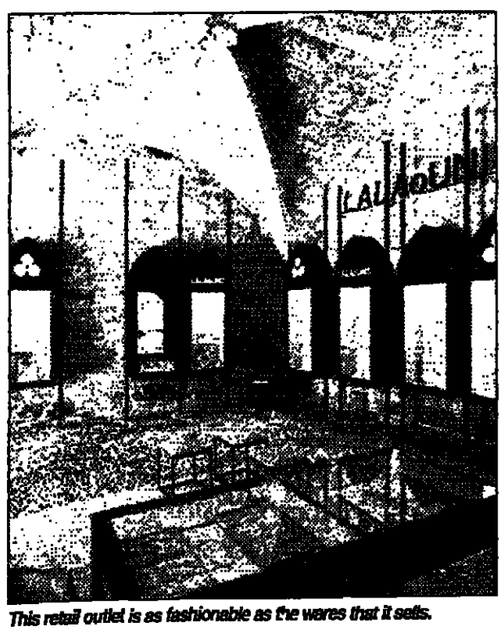
"Selling to tourists," observes Mr. Lalaounis, "is like exporting at high prices. The price of an item sold in a shop is between 60 and 70 percent higher than that of the same item exported for sale in another country."

Greek goldsmiths have not limited themselves to producing copies of ancient jewelry. They have created new lines inspired by other historical periods (like the Roman, Byzantine and Renaissance eras), other countries or historical events.

Mr. Lalaounis once produced a line inspired by the first achievements of Russian cosmonauts and American astronauts. Another line was inspired by developments in biology. Persian, Japanese and other countries' histories have also been featured.

Greek jewels have been sought after since ancient times. Says Mr. Lalaounis, who has shops in many world capitals, including Zurich, Paris, New York, and Tokyo: "Ancient Greece exported the art of its goldsmiths throughout the Mediterranean and the Middle East. Byzantine jewelry was prized in the courts of medieval Europe. Today's Greek jewels are facing a wide international horizon."

Greek jewelry received its highest honors in December 1990, when Mr. Lalaounis was received as one of the members of the French Academy in Paris. "It was an acceptance that the work of jewelers is real art," says Mr. Lalaounis proudly. He thought Greek jewelry deserved a museum, so he established one at the foot of the Acropolis in Athens. ●



This retail outlet is as fashionable as the wares that it sells.

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INVESTING IN GREECE

NEW COMMISSION COMES OF AGE

Privatization has spurred the industry to upgrade.

Having decided to complete the privatization of its telecommunications by the year 2001, the Greek government set up the National Telecommunications Commission (NTC), a watchdog agency to supervise the process and ensure that new industry members compete under fair rules and act in accordance with European Union directives.

The NTC became active in 1997, after the government opened the telecommunications market to private enterprise by granting mobile phone licenses to three private companies.

"The National Telecommunications Commission is the 'medium' that supervises the correct and legal entry into the market for both national and international companies," says Anastasios Mantelis, minister of transport and communications.

Free choice

Mr. Mantelis believes that the end of the state-owned Greek Telecommunications Organization's monopoly of the industry will benefit both the industry and the public by giving consumers a choice among several service providers and lowering rates. He also points out that countries with free telecommunications markets have achieved the highest rates of growth in the industry.

"In developing countries with free markets, competition has raised the growth rate of traffic per subscriber from 5.6 percent to 9.3 percent per year since 1990," he says.

Mr. Mantelis, who thinks that telecommunications will be a trillion-dollar industry by 1998, says that the industry accounts for more than half of the information communications market.

"In terms of market capitalization, it ranks third, with the service companies, and it was the fastest-growing sector for export goods in 1995," he observes.

He also believes that the telecommunications market affects all national markets. "For this reason, the importance of the National Telecommunications Commission is significant," he says.

Speeding up development

Andreas Lambrinopoulos, president of the NTC, says that OTE will benefit from competition by speeding up its development.

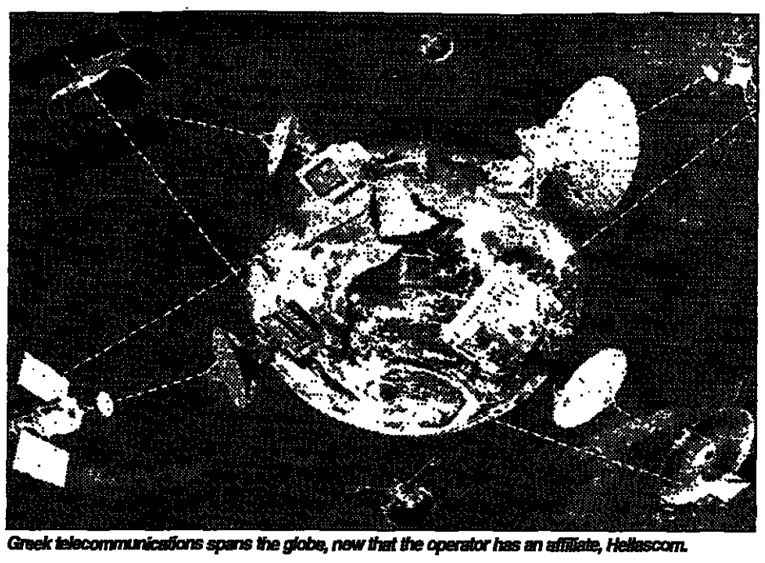
"We already see a trend toward dynamic improvement, both in services and in the quality of equipment. The charts are now indicating that OTE is approaching the level of operators in other European Union countries," he says.

"OTE operates 5.3 million lines in a country of 10.5 million people. It also has estimated profits of $1.1 billion for 1997. Today, over 80 percent of its long-distance network and 46 percent of its transmission centers use advanced digital technology."

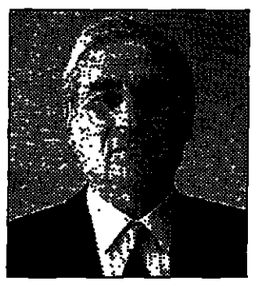
Mr. Lambrinopoulos explains that the commission will have a double job to perform: first, to make sure that private companies compete under fair conditions with OTE, which is an international giant in telecommunications, and second, to make sure that all companies comply with both Greek and EU regulations.

Operating under conditions of administrative autonomy, OTE has put 20 percent of its shares on the stock market as a first step toward privatization. It has also turned to the international market in search of top management.

In view of the expected local competition in all the fields of standard telephony and other services, OTE has started expanding in foreign markets and has already made inroads in the republics of the former Soviet Union. On December 9, 1997, OTE's board announced the purchase of 90 percent of Armentel, the state-owned telecommunications company of the Republic of Armenia, for $142.5 million. Through its affiliate, Hellascom, OTE has undertaken the construction of several telecommunications projects in Lithuania, Georgia, Jordan and other countries.



Greek telecommunications spans the globe, now that the operator has an affiliate, Hellascom.



Andreas Lambrinopoulos, president of NTC.

Share and share alike

Mr. Lambrinopoulos says that after the Greek market is liberalized, OTE will have to lease its circuits and share its lines with new competitors:

"We have to pay more attention to OTE because it is the most important element in Greek telecommunications and to make sure that it operates within the framework of the new rules," he says. "Only thus will we ensure healthy competition and provide protection to the consumer."

NTC will operate like the Federal Communications Commission in the United States. It will be responsible for issuing radio frequencies and operating licenses to various telecommunications operators.

"After all, there is a limit to the number of frequencies and of companies that can handle them," says Mr. Lambrinopoulos.

NTC will also be responsible for the electronic equipment that the various companies operating in Greece will use.

The only exception will be items produced in the European Union, since such items have the approval of the European Commission.

Mr. Lambrinopoulos believes that under the NTC, both foreign and local investors will find Greece a good field for investment in telecommunications.

Three foreign companies specializing in mobile telephones have been operating in Greece since 1990, when the market for mobile telephony opened. Both OTE and NTC officials believe that after the end of the year 2000, there will be a surge of standard telephone companies.

"We are ready to help them settle and operate," says Mr. Lambrinopoulos. ●

PRIVATIZATION CONFORMS TO THE EUROPEAN OPEN MARKET

International borders are less and less significant in the telecoms market.

The wave of privatization in Greece has included international telecommunications services. As a result, new rules have been adopted for both domestic and foreign companies operating in the country.

Under European Union directives, all European enterprises involved in the telecommunications sector are entitled to operate in the Greek market under the exactly the same conditions as in any other European country. Voice telephony is an exception; this sector will be liberalized on January 1, 2001. Until then, the Greek Telecommunications Organization (OTE) will retain its monopoly.

Mobile telephony networks have opened to private enterprise, in accordance with EU directives. After liberalizing this sector, the next step was transmitting data by private business networks within Greece, but without providing voice telephony services.

To oversee the normal and free operations of telecommunications services, and to supervise the application of European regulations, the government has established the National Telecommunications Commission (NTC). Until NTC was established over a year ago, OTE and the Ministry of Transport and Communications had the responsibility of supervising the telecommunications market in Greece.

The liberalization of the telecoms market on a global scale has brought a change in the rules of the game, a senior industry expert says: "These new rules will affect the Greek market very soon."

The old rules were based on the joint provision of services. Now, these services are widely perceived to be in need of reform. Traditional telecoms are considered a service to be traded, open to global competition. "If we are to set the boundaries of the new game, we have to explore the evolution of the rules it requires," says Andreas Lambrinopoulos, president of the NTC.

Today, telecoms is governed by a number of international treaties, recommendations and agreements because those who wished to operate a service agreed on certain conventions.

The sector is growing domestically, where investors are benefiting from the local market's opening, and internationally, where OTE is expanding through joint ventures

International telecoms has traditionally been operated bilaterally, with agreements establishing accounting rates based on relationships among carriers. Insofar as a multilateral framework existed at all, it took the form of the International Telecommunications Regulations (ITR), an international treaty that was last updated in 1988. This treaty incorporates by reference the International Telecommunication Union directive (ITU-T) relating to accounting rates and settlement payments.

The ITR is more often breached than observed, however, and the accounting rate regime is widely perceived as being at the point of collapse. International boundaries have less and less relevance to the ways that international communications are handled. This transformation is largely attributable to

- the convergence of the traditional telecommunications industry with other communication sectors, which has blurred the boundaries among different modes of communications;
- the establishment of global alliances that promote a market where the carriage of a call is separated from its origination and termination phases; and
- the rapid growth in capacity, both in terrestrial cable and satellite networks, which allows service providers a high degree of choice over routing of traffic.

The technological era is reducing the cost of providing services, although the pace of change has been uneven. The benefits of network modernization are only partially reflected in accounting rate cuts and are even less evident in price reductions to end users.

Cost differences, which can be adversely affected by exchange-rate fluctuations, have generated varying accounting rates in different countries. Consequently, imbalances in the traffic flow among some countries have been increasing.

In this changed environment, Greek telecoms are growing in two directions: domestically, where both foreign and local investors are taking advantage of the local market's opening, and internationally, where OTE is expanding its operations through joint ventures in countries like Ukraine, Armenia and Kazakstan. ●

TRANSPORTATION GETS AN OVERHAUL

Highways, airports, the subway and more are getting ready for the 2004 Summer Olympics.

Greece's efforts to bring its infrastructure up to world-class standards have the support of two dynamic women: Gianna Angelopoulos-Daskalaki, credited for her role in Greece's selection for the 2004 Olympics, and Vasso Papandreou, minister of development and tourism, who is responsible for completing the infrastructure needed for the games.

According to Mrs. Papandreou, the main infrastructure projects in Greece are connected with communications and the improvement of the country's capital city to welcome the Olympics.

"We are constructing the Egnatian Way, a highway connecting the eastern part of the country with the west. We are also upgrading the north-south axis of road communications and all railway lines," she says.

A $2.5 billion airport, set to become the largest in Europe, is being built in Spata. Located 25 kilometers (15.5 miles) southeast of Athens, it will replace the Hellinikon Airport, which cannot handle the capital's traffic and is too close to residential areas.

Another $1.4 billion is being spent to improve existing airports around the country, and air traffic control for the entire country's airspace is being modernized with European Union assistance. Finally, a new artery — reaching all the way to the new airport — will connect the main road axis from the Peloponese to Athens.

Within the capital, a new $2.3 billion extension of the Athens subway is under construction.

In addition, $189 million has been allocated to modernize Greece's hotels, and $271 million is earmarked to improve and construct marinas for yachts, as well as golf courses, mountain trails, eco-tourism projects, spas and ski centers. Another $340 million will be invested in a number of resort villages in selected countryside parks.

More energy

In the energy sector, an extensive gas network is nearing completion, and new investments are under way in the sectors of renewable energy sources and conservation methods, Mrs. Papandreou says. Oil deposits in western Greece have been linked to oil and bitumen sources in neighboring Albania, and a plan for oil drilling is in the works.

To meet the demands of the information society, the Greek government has undertaken a complete modernization of its telecommunications. An equally intensive effort is being made in the environmental sector

To meet the demands of the information society, the Greek government has undertaken a complete modernization of its telecommunications. An equally intensive effort is being made in the environmental sector, with major water works and the biological purification of sewage. Greece has strict legislation on environmental protection.

"Greek legislation on the environment is stricter than that of the European Union," says Mrs. Papandreou. "It imposes, both for new projects and industrial plants, strict environmental limits."

Attributes old and new

Based largely on projects like those mentioned above, Gianna Angelopoulos-Daskalaki and her team made a successful bid for the 2004 Olympics. A bid for the 1996 Olympics failed because the International Olympic Committee thought Greece relied too heavily on its historical assets, to the exclusion of modern development.

"This time, we emphasized Greece's infrastructural, economic and technological ability to stage the games, not just the historic and moral reasons," says Mrs. Angelopoulos-Daskalaki. "We presented a new Greek image, a side of us that is less known to the world," she adds.

Half the cost of the Olympics, estimated at $1.6 billion, will be covered by the IOC through agreements on international television rights and by top sponsors. The Greek government has guaranteed that it will cover the rest.

"That half must come from good business sense and management," says Mrs. Angelopoulos-Daskalaki. She also points out that some of the main infrastructure projects that enhanced Greece's bid for the Olympics are being partially financed through EU development programs.

Tourism's high profits

The Athens Olympic budget is fairly small. Most of the projects that will improve the image of the congested Greek capital are included in separate budgets and are scheduled for completion by the end of 2001. These projects include extensive reforestation, new highways and anti-pollution treatment of damaged coastlines.

"We believe that we can cover the Olympic budget and at the same time improve radically both the city and the whole country, and this is far more important than the games themselves," says Mrs. Angelopoulos-Daskalaki.

Mrs. Papandreou, on the other hand, believes that the Olympics, along with a formal "tourism and culture" program, will not only bring more tourists to the country but will also encourage foreign investors to invest in Greece's most profitable industry. ●

BOTTLING COMPANY LEADS THE INDUSTRIAL PACK

As Greek industry fights to hold its own against European industrial giants, and as many of its members are absorbed through mergers into multinationals, at least one company always climbs up the ladder of success and expansion.

The Hellenic Bottling Company (HBC), or Tria Epsilon, as it is called in Greek, has reached the top position in the country's list of industrial companies in terms of capitalization.

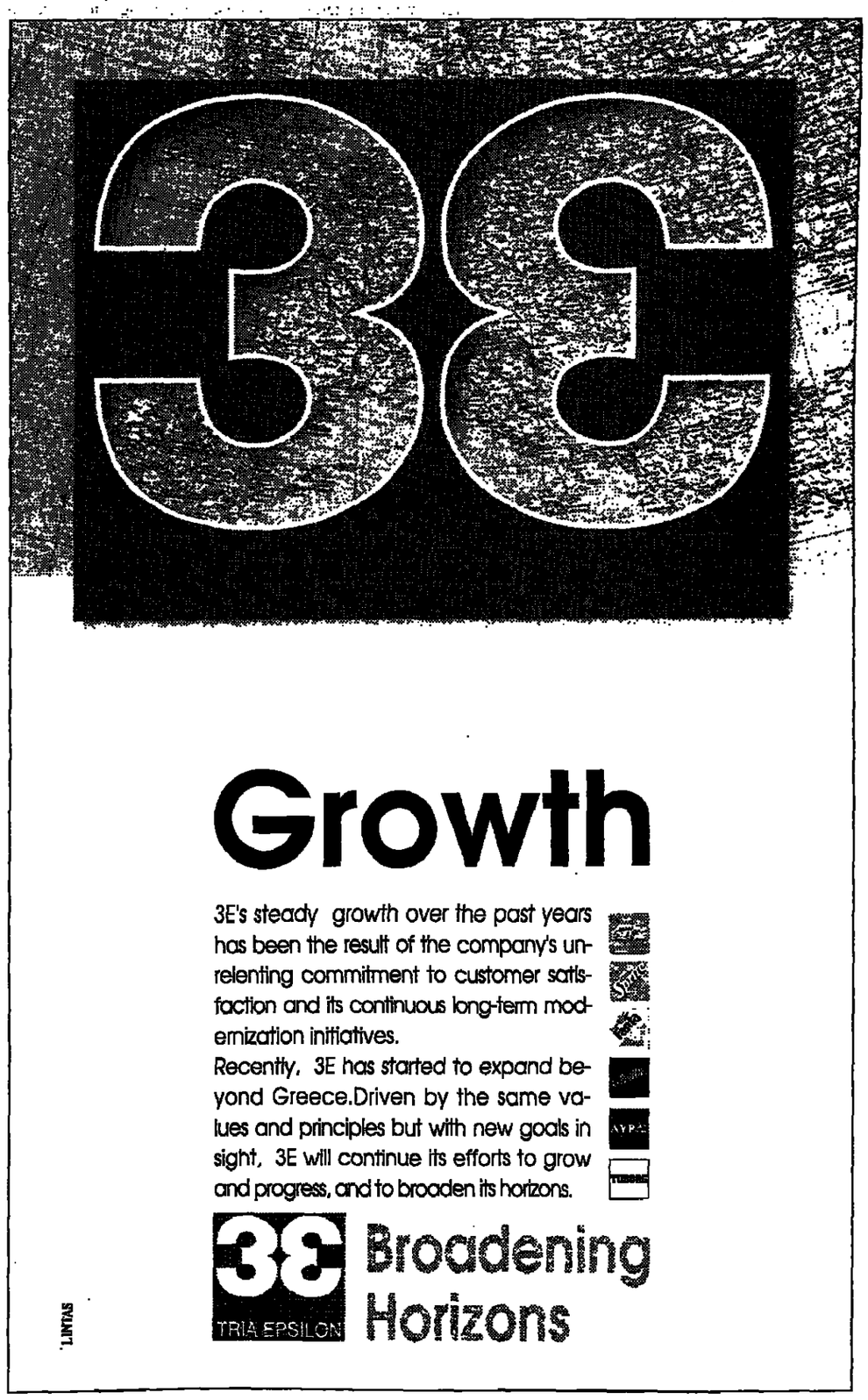
It had sales of $320 million during the first six months of 1997, a 12.5 percent increase over the same period in 1996. Pretax profits rose during the same period by 36 percent, to $73 million.

HBC is the producer and distributor of Coca-Cola products in Greece and many countries of the Balkans, Eastern Europe and the republics of the former Soviet Union.

This year, HBC took over 100 percent of the Molino Beverages Holding, S.A., which produces and bottles Coca-Cola products in the Republic of Ireland, Northern Ireland, Nigeria, Russia, Romania and Moldova.

In addition to this, HBC has gained a controlling interest in Frigoglass, a company specializing in all aspects of bottling and packaging related to the beverage industry.

The merger with Molino gave the new consortium a market capitalization of about $3.5 billion and created a group with a well-balanced portfolio of established and developing operations in 10 countries that have a combine population of 200 million people.



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SPONSORED SECTION

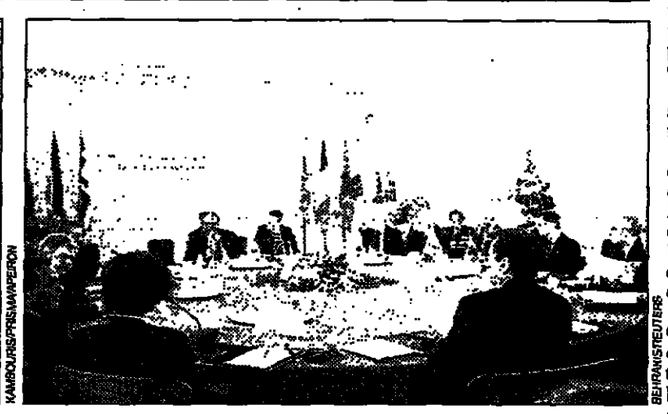
INVESTING IN GREECE

Optimism is the byword as Greece enjoys its high economic performance and successful moves toward privatization. The country is also increasing its role as a regional political leader, especially in the Balkans. In addition, industries such as telecommunications, transportation and tourism are booming. Finally, the country is celebrating its selection as the site of the 2004 Summer Olympics: The games are returning to their birthplace in Greece.

DECOUVRIEA

KAMBOURIS/PRISMA/PAPERON

Clockwise from top: An exuberant student shows off his talents at the University of Athens; a Balkans Summit opens in Agia Pelagia, Greece; Prime Minister Costas Simitis inaugurates the construction of the new Athens Airport.



BEHRAKIS/REUTERS

PRIME MINISTER MEETS HIS MANDATE

A year after Costas Simitis took office, all of his country's economic indicators are favorable.

Prime Minister Costas Simitis came to power in 1996 with a mandate to lead the country toward a market-oriented economy through the privatization of state enterprises. With the aim of improving Greece's investment profile, he promised to trim the public sector, reduce inflation and complete a number of major infrastructure projects. A year later, his reform program is proceeding at full speed.

The Hellenic Telecommunications Organization (OTE), Greece's largest public enterprise, is now listed on the Athens Stock Exchange. Eleven other utilities will have shares on the exchange in the next two years, says Minister of the Economy Yannos Papantoniou. Several other state-owned companies are in the process of privatization. Among them are two paper companies, Softex and MEL; chemical company Kerafina; Eleusis Bauxites; mineral firm LARCO; Aulis Shipyards; ELSYP Shipyards; Greek Petrochemicals; Greek Iron Alloys; and Greek Saltworks.

The inflation rate, running at over 10 percent two years ago, will have dropped to 5.1 percent by the end of 1997, according to Mr. Simitis, and will drop to under 3 percent in 1998 and under 2 percent in 1999. The number of public servants will soon show a decrease for the first time in decades, while the consolidation of local government units will guarantee lower expenses and more efficient services throughout the country.

According to a recent International Monetary Fund report, Greece's economy is converging with those of its European Union partners. In 1996, the Greek economy grew at a faster rate than the EU average — 2.6 percent against 1.7 percent — for the first time since Greece joined the European Community in 1981. The report estimates that the Greek economy will grow at a rate of 3.5 percent in 1997 and 1998, compared with average European growth of 2.5 percent.

National Economy Minister Yannos Papantoniou told a World Bank summit recently that, according to his forecasts, Greece will have 4 percent growth in 1998 and will sustain that level for at least a decade.

Speaking recently during the third Euro-Mediterranean Industrial Summit, held in Athens, Mr. Simitis stressed the importance that Greece places on its cooperation with European and Mediterranean countries, "a cooperation that will enable the Mediterranean basin to become an area of strengthened political dialogue, transactions and cooperation in ways that will guarantee peace, stability and prosperity.

"Today, the recovery of the Greek economy, the restriction of inflation to the lowest levels in the last 25 years, the reduction of the cost of money, the spectacular increase in investment, the firm course toward healthier public finances and the trust shown on the part of international organizations and international markets indicate the stability and correctness of our economic policy," says Mr. Simitis.

Economic indicators corroborate the prime minister's statements. Economic activity is up for the fourth consecutive year. For example, private investment increased by 11 percent in 1996, compared with a 5.3 increase in 1995.

Public-sector investment went up 14.9 percent last year, as against 7.4 percent in 1995. Also in 1996, private investment in housing increased 18 percent and private business investment 8 percent. Private consumption increased by 2.2 percent, against 1.6 percent in 1995.

Mr. Simitis also emphasizes that competitiveness has become a key factor in Greek economic life and that as a result, "businessmen who are aware that the market operates by its own rules are seeking new opportunities and are undertaking important initiatives."

Baltic ties

In recent years, Greece has increased its efforts to help normalize the political and economic situation in the Balkans. Greece was the first country to send food and pharmaceuticals to Bulgaria and Albania this year. Bulgaria has received more than 100,000 tons of Greek wheat, and a continuous flow of other assistance is been sent to that country. Albania also receives substantial aid from Greece.

Private enterprise is also helping neighboring Balkan countries through investment and the export of technical know-how. This assistance is crucial if these countries are to join the European Union eventually.

Hundreds of Greek firms, including some large banks, have established branch offices in Bulgaria, Albania and Romania, or formed joint ventures with local businesspeople. In these countries, Greek investors are second only to German industrialists.

The Union of Greek Industries plans to establish a special information network of Greek industrial enterprises operating in the Balkans, to work with commercial attachés in the Greek embassies and to establish "Greek Homes" operating under the aegis of Greek embassies but financed by private enterprises. The aim of the Greek Homes will be to promote Greek products and information about Greece.

Although Greece is a relatively poor member of the European Union, the country is determined not only to reach its partners' economic levels but also to participate in European Monetary Union by 2001. Greece will be in the spotlight as it hosts the 2004 Olympic Games, an event that will bring the games to their birthplace.

The preparations for the Olympics mark the beginning of a new era of economic progress, owing to a number of major infrastructure projects necessary for the games' success. ●

ECONOMIC INDICATORS

GDP: $110 billion
GDP per capita: $11,472
Main industries: tourism, merchant marine, agriculture, construction, mining
Exports: $10 billion
Imports: $24.2 billion
Main trading partners: European Union, Japan
Main exports: mining products, oil and byproducts, industrial products, textiles, agriculture, tobacco and spirits
Main imports: cars; machinery; oil and byproducts; electronics; chemicals; fresh, processed and frozen foods

INVESTMENT TOPS FORECASTS

Vasso Papandreou, Greece's Minister of Development, Industry, Environment and Tourism, has brought her extensive experience with European affairs to the Greek cabinet, having spent three years as Greek Commissioner in Brussels. She has also served as a member of Parliament and minister of industry, commerce, energy and technology. In the following interview, she discusses investment potential in Greece and government measures to prevent development from damaging the environment.

What are the indications of an improved investment climate in Greece?

The improvement of the macroeconomic indices shows a better handling of the economy. Inflation has fallen since 1993, from 13 percent to about 5 percent. Our target for next year is 3 percent. A similar fall in interest rates has been achieved.

The deficit in the public sector has come down gradually; from 13 percent in 1993 to about 4.2 percent this year. It is targeted to fall below 3 percent next year. During the same period, we were able to stabilize the public debt as a percentage of GDP. This year, there will be a small reduction. Our goal next year is to have a sizable reduction.

Finally, after the parity of our currency was allowed to slide for several years, it has now remained stable against major European currencies this year.

I believe that these macroeconomic indices, which are confirmed by international organizations, are the main successes for the Greek economy during the last few years. Furthermore, a sizable development program is under way in our country, which, together with the help of the European Union, absorbs 5 percent of the GDP. This program aims to develop infrastructure, upgrade labor and improve the productive environment.

Regarding infrastructure, major projects are in progress in Greece. We are constructing the Egnatia Way, a highway that connects the East with the West. We are entirely upgrading the North-South axis of road communications and all railway lines. A modern airport is being built for Athens, and all of the country's airports are being improved, while air traffic control is being modernized.

In the energy sector, a great natural gas network is nearing completion, and major investment is under way in the sectors of renewable energy sources and conservation methods. At the same time, drilling for oil is taking place in Western Greece.

In the telecommunications sector, a complete modernization effort has been undertaken so that Greece can meet the present-day demands of the information society. The same thing is happening in the environmental sector, with major water works and the biological purification of sewerage.

All these have led to a considerable improvement in the productive environment, which resulted in an increase in investment, both in the public and in the private sectors, which in turn led to an increase in the GDP of 2.5 percent in 1996 and 3.5 percent in 1997.

For the first time since its entry into the European Union, Greece has development rates exceeding those of the EU's average. What measures is the Greek government taking to secure the protection of the environment, together with the development of the economy?

Greece is known for its superb physical environment. We consider it our duty to protect this environment both for our citizens and for the millions of visitors whom we welcome every year. Greek legislation on the environment is stricter than that of the European Union. It imposes strict environmental limits for both new projects and industrial plants.

EMBASSY OF GREECE

Minister Vasso Papandreou

We cannot claim that everything works perfectly, but our care for the environment is continuous, and this message is being passed on both to citizens and entrepreneurs.

Is it possible to fight unemployment by deporting illegal workers, or is their employment useful and helpful in creating jobs?

The phenomenon of foreign workers in our country is somewhat new, and for this reason we are trying to use the experience of other countries that have had foreign workers for decades.

The Greek government believes that illegal immigration must be checked in two ways. First, through increased control at the borders and, second, through the legalization and the incorporation into the economy of all who are today working illegally in Greece. We believe that the legal presence of foreign workers in our country can be beneficial both for them and for the economy.

According to our information, a great number of foreign workers are employed in agriculture, construction and tourism. We believe that the rate of development of the Greek economy during the present period and for the years ahead will create new employment openings to absorb the unemployed.

Is there any room for further development of the tourism industry?

The development possibilities for Greek tourism are wide. We think the model of mass tourism has reached a saturation point and that in the future, together with mass tourism, new forms of tourism must be developed, such as conference centers, therapeutic centers, sports tourism, etc.

The means for the development of new tourism infrastructure and installations are extensive. The program "Tourism and Culture" has considerable funds for the development of special forms of tourism.

Does the Ministry of Development have plans to attract foreign capital for use in tourism?

We are interested in foreign investment because it is definitely accompanied by know-how, and it brings foreign visitors. We have tried to attract foreign investors. Actually, all the openings of bids for the development of the property of the National Tourist Organization were international and were published in the foreign press. Parallel efforts were made in cooperation with the Greek Investment Center (ELKE) and foreign embassies in Athens.

These efforts will continue with the National Tourism Organization's promotion of the investment potential that Greek tourism presents and with other investment in our country.

Based on existing data, we may say that the rate of investment developments in that sector have surpassed any optimistic forecast. ●

THE OLYMPICS CHALLENGE: GOLD MEDALS IN BUSINESS?

Local and foreign businesses will benefit along with Olympic athletes.

A few hours after Greece won the bid for the 2004 Olympics, Prime Minister Costas Simitis made a remark that caught the press by surprise. He warned that the games "will not be allowed to develop into an opportunity for underhanded business, for superficial and shoddy work, or a chance for quick grabs and a fast buck. The projects surrounding the Olympic Games must have quality and a long-term value for the general public, not just for businessmen."

Despite its blunt nature, the prime minister's warning was welcomed in a country where, according to recent statistics provided by ALKO Research Bureau, only 1.8 percent of the public trusts the Greek business community.

A recent conference organized by a think tank called "E21-Greece in the 21st Century" concluded that corruption is rampant in the public and private sectors and that one-third of the adult population has used bribes to get their interests served.

Having won the bid for the Olympics after a 10-year effort, Greeks realize that they must not allow this opportunity for economic development to go to waste. The opportunities are there not only for enterprising Greeks, but also for foreign contractors and international partnerships.

As in all countries hosting Olympics, there is a question about whether the country can cover the costs and, ideally, make a profit. Optimists in Greece form a large majority. One of these is Gianna Angelopoulos-Daskalaki, a former member of Parliament who enjoys great popularity nationwide for her key role in securing the 2004 games.

"Gianna," as she is known, says the cost of staging the Olympics will come to $ 1.6 billion, all guaranteed by the government in accordance with the contract signed with the International Olympic Committee (IOC).

She says exactly half that amount will come from IOC proceeds from international television rights and major sponsors. The money will be sent to Greece as early as next year. The other half must be secured through local business projects and "sensible management," she adds.

The Bidding Committee, however, says that the remaining half has "almost been guaranteed" by the government, since Mr. Simitis suggested it could come through large-scale European Union development funds scheduled to be delivered between 1998 and 2004. These funds are estimated at 8 trillion drachmas ($32 billion), which means that a mere 2.5 percent of the total amount would be needed to cover the remaining half of the Olympic budget.

Public works

The projected $1.6 billion budget is relatively low because major public works projects, designed to improve the congested Greek capital and make the Olympics a success, have separate budgets of their own.

These projects, several of which are partly EU-funded, will be completed by 2001. Specifically, they include the new international airport at Athens — self-described as the largest in Europe — a new subway service, an archeological park, an extensive reforestation and environmental program, numerous new highways and anti-pollution treatment of damaged coastlines.

"To us it is quite clear that we can cover the Olympic budget and in the process help to radically improve the city and the country in general for a whole future generation," says Ms. Angelopoulos-Daskalaki.

MESSINIS/AP

Young people celebrate the IOC's decision to award Athens the 2004 Summer Olympics.

Not everyone shares her optimism. A minority fear that the projected budget has been underestimated. They say the Greek economy will not be able to bear the burden of the games, especially considering the country's large-scale defense expenditures and the strict austerity measures being imposed in order to meet the criteria for European monetary union.

Apart from the large public works projects mentioned above, Greek and foreign enterprises aspiring to gold medals in business can look forward to a number of other medium-range projects. These concern improving the country's traffic circulation, telecommunications and technological infrastructure, as well as creating more park land.

Although 70 percent of the sports facilities for the Olympics are already completed, the remainder to be constructed involve sports not widely practiced in Greece. New facilities will include a multipurpose indoor and outdoor sports complex at Phaliron on the Athens city coast, a hippodrome for cycling, and swimming and seaside sport facilities on the more distant sandy Athens coast of Skinias.

Above all, an Olympic village has to be built on the outskirts of Athens to house some 15,000 athletes and officials.

Considerable benefits are expected in the field of tourism. The current annual influx of 10.5 million vacationers is expected to increase considerably in the years leading up to 2004. This will mean, of course, constructing more hotels.

Government and private sector officials say that a wide range of Greek and foreign businesses will benefit from the Olympics. They include those in the industries of cement and construction materials, sports-related equipment and goods, hotel and household equipment, foodstuffs, communications and other electronic products, and the general service sector, ranging from language education to entertainment.

The government predicts that 130,000 jobs will be created and that activity surrounding the Olympics will help raise the gross domestic product from its current annual growth rate of 2.5 percent to about 4 percent at the start of the new millennium. ●

"INVESTING IN GREECE"
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HEALTH/SCIENCE

TOMORROW: LEISURE

Out in the Cold? Think About Fluids

By Jane E. Brody
New York Times Service

NEW YORK — Now that it is cold, you may get a little damp during a morning run or while doing circles on the ice or slaloms on the slopes, but nothing like the profuse sweat you work up in summer. And so you may think you do not have to drink as much. Wrong! Though you may be less aware of water loss in winter, the need for adequate hydration is pretty much the same year-round.

Most active people fail to drink enough, even when it is sizzling hot outside, and when a chill winter wind blows away visible signs of sweat, many forget all about supplying their bodies with enough water to keep them functioning at their peak.

Studies indicate that winter athletes who fail to remain properly hydrated are likely to perform below par, enjoy their activity less and become unduly fatigued and prone to injury. In the first such study done among recreational alpine skiers, Dr. Edmund R. Burke, an exercise physiologist at the University of Colorado at Colorado Springs, and his collaborators tested the fluid loss and intake of 14 intermediate to expert skiers during two days of skiing at elevations of 8,000 to 10,500 feet (about 2,400 to 3,200 meters) and temperatures of 14 degrees to 48 degrees Fahrenheit (minus 10 to plus 9 centigrade).

On one day, half the skiers drank (as most recreational skiers do) only during their lunch breaks. The other seven wore under their jackets a "back-mounted hydration system" — an insulated, water-tight pouch that slips on like a backpack and has an over-the-shoulder tube through which the wearer can sip water. On the next day, the skiers repeated the same runs but switched use of the hydration system.

Dr. Burke said, "We were amazed by how dehydrated the skiers got" when they were not using the hydration system, which allowed them to drink between runs while riding the chair lift. When wearing the pouch, during the course of the day the skiers consumed an average of 65 ounces (about two quarts or 1.9 liters) of water as against only 26 ounces (about three cups) consumed by those who drank only at lunch. In the group without the pouch, the volume of blood plasma fell by nearly 5 percent, while the hydrated group lost only one-tenth of 1 percent.

Other studies have shown that a loss of blood plasma results in reduced muscular endurance, a higher heart rate and body temperature and a prolonged recovery after exercise. Such dehydration may also cause muscle cramps during exercise.

A report in the Penn State Sports Medicine Newsletter said that if in the course of an activity, "a 150-pound [68-kilogram] athlete loses 2 percent of body weight (three pounds), physical and mental performance can decrease by 20 percent." The report said, "In addition to fatigue, the early signs of dehydration are loss of appetite, flushed skin, light-headedness and dark urine with a strong odor."

DR. Burke explained: "Dehydration can be a significant factor in skiing accidents because fatigued skiers are more likely to lose control. They don't react as quickly and lack the strength or power needed to prevent accidents. They also increase their risk of acute mountain sickness when skiing at high altitudes." The risk of dehydration rises at high altitudes because the greater breathing rate increases water loss through the lungs.

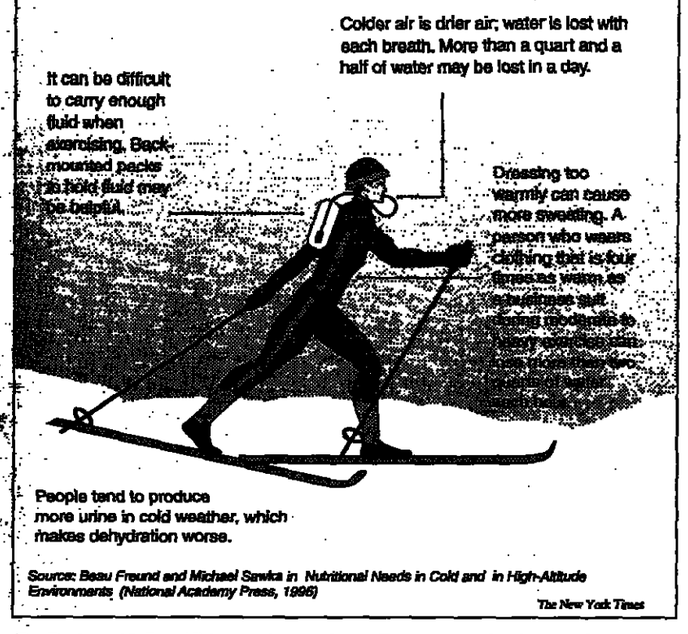
When the skiers had continuous access to water, they reported feeling significantly better and were less thirsty. "If skiers feel better, they ski better and enjoy it more and are likely to ski more often," Dr. Burke said. In addition to the usual water losses during exercise, Dr. Burke said, skiers and other winter exercisers have to battle the body's tendency to increase its output of urine during cold weather. The greater the loss of urine, the more quickly one becomes dehydrated.

Good hydration starts long before you don your exercise gear. A good rule of thumb is to consume two glasses (16 ounces) of a plain fluid — water, diluted fruit juice, diluted sports drink, noncaffeinated coffee or tea — if possible two hours before the planned activity. During the activity, says Dr. Susan R. Kleiner, author of "High-Performance Nutrition," published in 1996 by John Wiley & Sons, athletes should drink at least four to six ounces of fluid every 15 or 20 minutes.

For exercise that lasts under an hour, cool water is the best replacement. For vigorous activities that last longer than an hour, Dr. Kleiner suggests consuming a sports drink as a replacement fluid. As a general guide, a quart of a noncaffeinated beverage is needed for every 1,000 calories expended during the day. Or, put another way, drink at least two cups (16 ounces) of water for every pound lost during exercise.

Cool drinks (40 degrees to 50 degrees Fahrenheit) are absorbed more quickly than warmer ones. However, if cool drinks make you feel chilled and result in your drinking less than you should, stick to warm or even hot ones. They will do the trick, though the hydration process may take a little longer.

The problem of dehydration does not end with the coming of cold weather. In fact, it can be more of a problem because people who exercise in the cold tend to forget to drink enough fluid before, during and after strenuous activities.



Source: Beau Freund and Michael Sawka in Nutritional Needs in Cold and in High-Altitude Environments (National Academy Press, 1996)

The New York Times

A 'Cooling Cap' For Birth Damage

Newborn Therapy Is Revived

By Susan Okie
Washington Post Service

WASHINGTON — Most pediatricians who take care of newborn infants sooner or later confront this tragedy: a perfectly formed, full-term baby emerges after a difficult labor, but develops severe seizures and signs of permanent neurological damage because the brain didn't receive enough oxygen-rich blood at some point during birth.

Even with good obstetrical care, this kind of brain injury occurs in an estimated 12,000 full-term infants in the United States each year, and in a larger number of premature babies. With current treatments, doctors are powerless to prevent or mitigate the resulting death of brain cells, which seems to occur inexorably over hours or days after the birth and often produces mental retardation or cerebral palsy.

Now, an old idea — cooling the baby down — has been revived as a promising therapy to reduce the extent of brain damage. Animal studies, performed in newborns or fetuses of several different species, show persuasively that mild cooling, lasting for up to 72 hours, can dramatically reduce the number of nerve cells that die after circulation to the brain has been temporarily cut off. In humans, mild cooling means reducing core body temperature to a range of 93 to about 96.8 degrees Fahrenheit (34 to 36 centigrade).

Last week, a New Zealand pediatrician reported results from the first trial of a special "cooling cap," tested as a way of selectively cooling the head in full-term infants who showed signs of having suffered oxygen deprivation before birth. Her findings from a small comparative study of 22 infants — reported at an international conference here — suggest that the treatment is safe and, in her view, ready to be tested in a larger international trial.

"There should be a multicenter study," said Tania Gunn, an associate professor of pediatrics at Auckland University Medical School, who tested the cap extensively in fetal sheep before trying it on human infants. "I'm into caution." She said cooling of brain-injured infants should be thoroughly studied in further trials rather than "people rushing out and doing whole-baby cooling, willy-nilly."

Other experts at the meeting said the evidence from animal studies is exciting and provocative, but they added that doctors will have to proceed very carefully as they evaluate a treatment that runs counter to established standards of newborn care. Since 1958, when a landmark study found that lowering the temperature increased the death rate in premature infants, the dogma in hospital nurseries has been: Warm up babies immediately after birth and keep them warm.

"It's become the absolute orthodoxy," said John S. Wyatt, a professor of neonatal pediatrics at University College, London. "We wrap the babies up, put hats on their heads, spend a great deal of effort."

But researchers have found that babies born outside hospitals, as most humans were until this century, normally had a drop in body temperatures to 95 degrees Fahrenheit or lower just after birth and then warmed up again gradually over the next several hours, Dr. Wyatt said. That could be a physiologic effect that evolved to protect the human brain against the belated ill effects of any oxygen deprivation that might have occurred during labor, he suggested.

"I'm developing this heresy that babies may be designed to go cold," Dr. Wyatt said.

Dr. Wyatt, Dr. Gunn and others emphasized that hypothermia — an abnormally low body temperature — has recognized medical risks for babies, especially for premature infants. Among other things, it reduces the heart's ability to pump and can produce abnormal heart rhythms.

NONETHELESS, cold has been advocated as a desperate treatment for near-dead newborns since 1697, when Sir John Floyer described seeing a young doctor plunge an apparently stillborn infant into a tub of ice, from which the child emerged screaming lustily. In the 1950s and 1960s, researchers in Sweden published reports of more than 75 babies, born unresponsive after severe oxygen deprivation, who were immersed in cold water and cooled to core body temperatures as low as 80 degrees Fahrenheit, then very slowly rewarmed. Most survived and showed no evidence of cerebral palsy, an impairment of muscle strength and coordination that commonly develops after such brain injuries.

Key to Exercise: Frequency or Duration?

By Carol Krucoff
Washington Post Service

WASHINGTON — More frequent, rather than longer, exercise sessions are better for the heart, suggests a 12-year study of the exercise habits of more than 22,000 male physicians.

"The more frequent the exercise, the lower the risk of heart attack and death from heart disease," Dr. Claudia Chae, a cardiologist and research fellow at Brigham and Women's Hospital in Boston. "Duration doesn't have as much of an effect, with no significant differences in benefit among men who worked out for 11 to 24 minutes and those who exercised longer."

Dr. Chae's conclusions are based on data from the Physician's Health Study, which looks at the health and behavior of 22,071 male physicians who were 40 to 84 years old when the study began in the mid-1980s. She reported her findings at last month's annual meeting of the American Heart Association and has been amazed at the strong media attention her study aroused.

"People seem surprised that you can get a great deal of benefit from relatively short bouts of exercise," she says. "Everyone wants to know how little [exercise] they can get away with."

So what's the least amount of physical activity you can do for heart health?

"Our study suggests that exercising vigorously at least one to two times per week for at least 11 to 24 minutes per session can get you a pretty significant risk reduction," she says. "If you can increase the frequency, you can get even more benefit."

For example, the risk of heart attack decreased by 36 percent among those who exercised vigorously one to two times a week, 38 percent among those who exercised three to four times a week and 46 percent among men who exercised five or more times weekly, Dr. Chae's study found.

But there's a catch: The Physicians Health Study looks only at vigorous exercise, defined as exercise that works up a sweat.

Dr. Carl Caspersen, a physical activity epidemiologist at the Centers for Disease Control and Prevention in Atlanta, said that moderate-intensity activity is more appealing to most people.

"But when you relax the intensity you need to pump up the frequency and duration of weekly activity to get important health effects," Dr. Caspersen adds. "It's like when you lower the dose of a medicine. You've got to take it more often for it to be effective."

"Say your goal is to burn 200 calories," says exercise physiologist Stephen Farrell of the Cooper Institute for Aerobics Research in Dallas. "You could do 40 minutes of a moderate-intensity activity like walking or just 20 minutes of a higher-intensity activity like jogging." Neither option is better than the other. They are both good choices, depending on your preferences, physical condition and time.

The U.S. Surgeon General's Report on Physical Activity and Health, released last year, gave people many exercise options by emphasizing the amount rather than the intensity of physical activity. Its recommendation: Burn 150 calories per day in physical activity such as walking or raking leaves for 30 minutes, running for 15 minutes or washing and waxing a car for 45 to 60 minutes.

IN BRIEF

Women, Depression and Alcohol

WASHINGTON (WP) — Women who have symptoms of depression are more likely than others to develop alcohol problems within a few years, a seven-year study reports. The same research found no such link between depression and alcohol problems in men.

Researchers studied a group of 1,306 men and women from Erie County, which includes the city of Buffalo, New York, for seven years, monitoring them periodically for signs of depression, use of alcohol and alcohol-related problems.

After three years, women who initially had been classified as having symptoms of depression were three times as likely as undepressed women to have alcohol problems. After four years, they were two-and-a-half times as likely to have alcohol problems. Seven years into the study, the depressed women still were more likely to have trouble with alcohol, although the link was statistically fuzzier.

Numerous previous studies have documented that depression and alcohol problems often go together. But the evidence suggests that in men the alcoholism tends to precede the depression, while in women the depression tends to precede the alcoholism.

The study was conducted by researchers from the State University of New York at Buffalo, the Research Institute on Addictions in Buffalo and SUNY Stony Brook. The results were reported in the American Journal of Epidemiology.

Viruses Button Up Their 'Overcoats'

LONDON (Reuters) — Plants infected with special "overcoat-wearing" viruses could become factories for important proteins such as antibodies, hormones and enzymes, Britain's *New Scientist* magazine reported Wednesday.

The genetically modified plants could also be used to clean up contaminated stretches of land, the magazine said.

It said that scientists at the Scottish Crop Research Institute had managed to attach proteins to the protein coats of viruses. By infecting plants with these viruses, the researchers are able to produce great volumes of the vital proteins, which remain biologically active while still attached to the virus.

CROSSWORD

ACROSS

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14 Nesmik's opposite
15 "Unforgettable" singers
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18 Molotules
19 20's-30's actress Hyams
20 Caffa order
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25 Using clippers?
26 Make off with
30 One of the states seen from Lookout Mtn.
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7 Fried
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39 Bears witness
40 Sicilian dough
45 Lab order?
47 Pre-pasila bite
49 Genesis high point
50 Titled, ...
51 Aligned
52 Town near Cape Cod's tip
53 Lamb product
54 Judges
58 Imperial Guard's home
60 Nation (out)
62 Gloomy atmosphere
61 Year Trajan conquered Dacia
62 Hobby shop buy

Solution to Puzzle of Dec. 17

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Puzzle by Gaby Mittelmann

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NYSE

Wednesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		A-B-C								
40½	24¼	AAR	.48	1.2	26	342	39⅞	38⅞	38¾	+1⅛
30⅝	15¾	ABM	.48f	1.7	24	575	29⅞	28⅝	29	-⅛
24⅞	18⅝	ABN Am n	.56e	2.7	...	574	20⅝	20⅝	20⅝	...
101½	55¾	ACE Ltd	.96f	1.0	12	730	93	91½	92⅝	+1⅞
11⅞	10	ACM In	.90a	8.2	...	487	11	10⅞	10⅞	-⅛
8⅞	7	ACM Op	.63	7.9	...	236	8⅛	8	8	-⅛
10⅜	8⅝	ACM Sc	.90	9.0	...	895	10⅛	10	10	-⅛
7	6⅛	ACMSp	.57	8.8	...	1059	6⅝	6⅝	6½	-⅛
15	11½	ACMMD	1.35	9.6	...	621	14⅛	13⅞	14	+⅛
10⅜	9⅛	ACM MI	.90	9.1	...	286	10	9⅞	9⅞	-⅛
14⅝	12½	ACMMu	.90	6.2	...	277	14⅝	14⅝	14⅝	-⅛

Continued on Page 15

مكبرا من الأصل

Koji Sasahara/The Associated Press

Floor traders in Tokyo cheering on Wednesday after Japanese stock prices rose sharply in reaction to news of a tax cut to spur the economy.

Did Tokyo Bet Enough to Revive the Yen?

By Carl Gewirtz
International Herald Tribune

PARIS — Japan's unexpected intervention in the foreign-exchange market Wednesday after the government's U-turn in fiscal policy changed the market's parameters from a one-way bet against the yen to a mood of greater caution.

But analysts warned that the yen's troubles are not yet over.

The intervention, the first since February 1996 and said to have amounted to $2 billion, knocked the dollar down nearly 5 yen, to 125.78 yen, in early trading. But the dollar regained some of that ground and was at 127.155 yen at 4 P.M. in New York, compared with 130.77 at the close Tuesday.

The Japanese move to intervene in the market drew U.S. approval. Treasury Secretary Robert Rubin announced in Washington that the intervention was "appropriate" and reflected "shared concerns over the weak yen."

U.S. officials, who opposed Japan's increase in consumption taxes this year, had repeatedly warned Japan that it should not rely on an excessively weak value of the yen as a means of bolstering growth through expanded exports.

Analysts said the timing of the central bank's intervention was impeccable — getting maximum impact because of light trading conditions.

"Trading volumes are already beginning to thin and liquidity is shrinking, as is usual in the run-up to the end of the year," said Neil MacKinnon at Citibank. It is a time of year when market operators are not keen to get aggressive.

Huge amounts of money have been committed to the "no brainer" way of making money — borrowing yen at 0.5 percent to be sold and invested in high-yielding foreign assets, while the value of the debt declines as the yen sinks. The latest estimates had $40 billion of dollars purchased on this so-called "carry trade," and any change in the parameters of the bet — such as the yen continuing to fall — inevitably drives some operators to take profits and close positions.

"The weight of these positions explains why the dollar drops much faster against the yen than it rises," said Kit Juckes of NatWest Securities.

But next year, "dollar optimists will have another run. The big question is whether the package of tax cuts will turn the economy," said Mark Cliffe of HSBC Markets.

At first glance, analysts were impressed by the government's willingness to admit a change was needed, but critical of the package.

The proposed 2 trillion yen in new tax cuts does not equal what the government took out last March through an increase in consumption taxes. "At best fiscal policy has been switched to only neutral from highly restrictive," Mr. MacKinnon said.

Mr. MacKinnon also questioned whether the tax cut would have the hoped-for impact on consumer spending within Japan. "Against the ongoing shakeout in the financial system, the stagnation in the growth of real incomes and increasing job insecurity, households are likely to save the tax cut rather than spend it," he said.

Avinash Persaud, an analyst at J. P. Morgan said the dollar's setback was only temporary. "This is the time to buy the dollar," he said, sticking to his forecast that it is on track to climb to 135 yen to 138 yen.

Japan's intervention "will only have bite if it is concerted and, more importantly, if it is backed up by monetary policy. Yet there is absolutely no risk that the Bank of Japan will raise interest rates soon."

See YEN, Page 14

INTERNATIONAL MANAGER

Africa Phone Firm: An Efficient Bully

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — Monopoly and government control have long been the way of doing business in South frica, and for years, the national phone company was perhaps the worst offender. The hallmarks of the company, SA Telkom, were high prices, slow service, an aloof bureaucracy, a bloated work force and a network engineered for white neighborhoods.

Suddenly, everything is changing. In the eyes of some South Africans, it's a miracle: The company is now being run by Americans, people famous for technical skill. In the eyes of others, it's a disaster: the company is now being run by Americans, people famous for arrogance.

To be fair, the South Africans invited this on themselves. They put 30 percent of the government-owned company up for sale last year. In March, it went for $1.2 billion to a joint bid by SBC Communications International — a subsidiary of SBC Communications Inc., the American local phone company that was once Southwestern Bell — and Telekom Malaysia.

Jay Naidoo, the minister of posts, telecommunications and broadcasting, said it seemed wise to fortify Telkom with private investors but to emulate the 100-year AT&T Corp. monopoly that brought affordable phones to all of America. To attract buyers, Parliament passed the Telecommunications Act of 1996, which preserves Telkom's monopoly for five years on the condition that it installs 2.8 million new lines and greatly improves service.

Any buyer was taking a gamble. If Telkom reaches the government's goals, it gets a sixth year of monopoly as a reward. If it fails, it pays large fines. But there was also a cultural risk: the buyer would step into a business arena that has been isolated and defensive, more used to government regulation than to free competition and politely resentful of outsiders bearing cash, expertise and do-it-my-way plans.

SBC and Telekom Malaysia accepted the challenge. Although SBC owns only 18 percent of the company, it has become clear in the past few weeks that a team of Americans, led by the chief operating officer, Mac Geschwind, is running the state telephone company.

They are spending so much to upgrade the system that Telkom, which had a pretax operating profit of nearly $1 billion last year, will have none in 1997-98. Under new management, the company is in virtually daily battles in the headlines. Telkom is fighting simultaneously with its biggest customers, with the new regulatory agency, and with would-be competitors, such as call-back services and Internet providers.

Paradoxically, on the fronts where analysts expected trouble — from the unions and government — all is quiet.

Still, the task is huge. Decades of apartheid have left downtown office buildings and white suburbs with plenty of lines, but in rural black areas, only one household in 200 has a phone line. Some people walk miles to a pay phone.

In six months, the company seems to have made huge strides. It says it installed 171,000 new lines, nearly triple the pace of the year before, with 115,000 of them going into "previously neglected areas."

Telkom now fixes 57 percent of all home phone problems within 24 hours, up from 42 percent in April, executives said. It plans to have the whole network digital by 1999. It promises to have 35 percent black managers within five years. It just introduced voice mail.

The company agreed to lay off no one and to spend $100 million a year on training. There have been none of the wildcat strikes South African labor is known for.

But as for competition, the company is acting every bit the classic monopolistic bully: It demands that the government outlaw its rivals.

See TELKOM, Page 17

2 Mobile Phone Makers Look to the Net

Ericsson and Nokia Win European Vote and Stress On-Line Technology

Bloomberg News

STOCKHOLM — For years, mobile phone companies such as LM Ericsson AB of Sweden and Nokia Group of Finland have had a hard time selling the notion that mobile phones can take a personal computer on-line.

Consumers found sending data slow, expensive and limited to such rudimentary functions as E-mail.

But now Ericsson and Nokia, which won a vote Tuesday to have their technology adopted as the European standard for high-speed wireless transfer of data, see huge growth potential for the $40-billion-a-year mobile-phone market when the system rolls out in Japan in late 2000.

The companies say the new technology will speed data service.

In a few years, they insist, it could be faster and cheaper to use a mobile phone than a fixed line to, say, sign onto the Internet or hold a video conference on the run.

"The data side will explode," said Mika Heikkilae, fund manager at Arctos Funds, which owns Nokia stock. "Nokia and Ericsson have a clear head start on their competitors as they have developed the accepted system for a longer time." Siemens AG of Germany and Alcatel Alsthom SA of France were among a group backing a different technology, which will now have to play catch-up.

Ericsson sees Internet users quadrupling to 400 million by 2001 as mobile phone users triple to 600 million. Some 30 million people will surf the Internet using mobile phones by then, it says.

The company shows off the technology in a white minivan that drives around its headquarters. What looks like a modem card with an aerial slots into a laptop computer and a fractured-motion video conference begins.

Ericsson shares rose to 299.50 kronor from 288 in Stockholm on the news that the system had won 58 percent backing from the European Telecommunications Standards Institute, while Nokia shares rose to 389 markkaa from 371 in Helsinki. A final vote is to be held next month.

Ericsson and Nokia will be bolstered if the new technology, called Wideband Code Division Multiple Access system, becomes popular because competitors have been catching up with existing mobile phone technology and putting pressure on their profit margins.

Many operators say the new technology will be expensive to install and hard to sell to people accustomed to using a mobile phone just to chat.

"We've been trying for 10 years to market mobile data systems without any major success," said Aake Persson, vice president of marketing and sales at Ericsson's mobile systems division.

"What will change this is the Internet. People aren't going to accept being tied to the wall."

Third-generation mobile phone systems can transfer data at 384 kilobits a second outdoors and 2 megabits a second indoors, compared to 9.6 kilobits a second for ordinary mobile phones. Copper lines can carry around 64 kilobits a second of data.

Cost is a concern, though. The technology works, in part, by placing many base stations close together in highly populated areas, like office blocks, and that makes it expensive to install.

"I can't see it moving out of the business arena for four years or so," said Stuart Jeffrey, an analyst at Daiwa Europe.

Once building is done, analysts say, it is likely call charges will be cheaper.

Microsoft Comes Under Fire From All Sides

By John Markoff
New York Times Service

SAN FRANCISCO — As a federal district judge was ruling last Thursday that Microsoft Corp. had violated a 1995 antitrust agreement with the Justice Department, U.S. attorneys general from some of the most populous states were concluding a secret three-day meeting in Chicago to assess their own strategy for a possible antitrust action against Microsoft's marketing practices.

The meeting — coupled with government investigations under way in Europe and Asia, a continuing private antitrust suit and the specter of hearings in the U.S. Senate — suggests that the world's most powerful software company could soon find that it has become a Gulliver enmeshed in Lilliputian legal entanglements around the globe.

"Microsoft is going to find that it is looking at a shotgun with multiple barrels," said Gary Reback, a lawyer with Wilson, Sonsini, Goodrich & Rasati in Palo Alto, California, which represents a number of Microsoft's competitors.

Nine states have subpoenaed information from his firm, Mr. Reback said. Among the states that participated in the session last week, he said, were Florida, Illinois, Minnesota and New York.

Microsoft officials did not return telephone calls this week requesting comment on investigations under way by state governments. Flush with the states' success in mounting a coordinated attack on the tobacco industry for expenses incurred in dealing with smoking-related illnesses, a number of attorneys general are now collaborating on a multistate antitrust effort. While by all accounts the strategies being discussed involve only civil actions, the attorneys general are remaining tight-lipped about which states are involved and which of Microsoft's business practices they want to target.

The world's most powerful software firm could become a Gulliver enmeshed in Lilliputian legal entanglements worldwide.

It is not known, for example, whether any potential action would seek monetary damages, changes in business practices or some other remedies. Nor is it known whether the states would be acting on behalf of themselves as high-volume consumers of Microsoft's software products or as guardians of their residents' consumer rights.

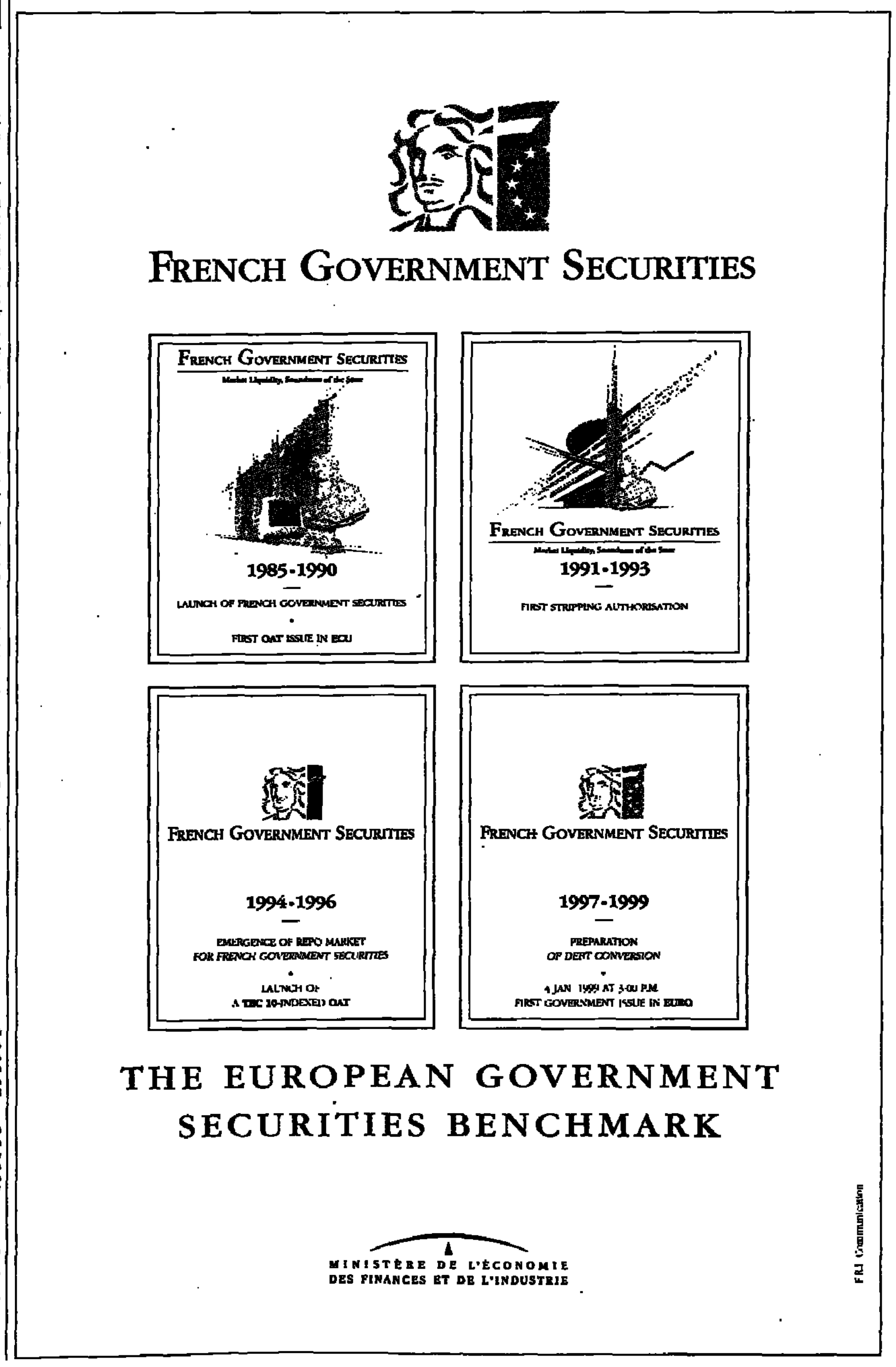
What is known is that California, Connecticut, Massachusetts and Oregon have each opened independent investigations of Microsoft's business practices and that Texas is already suing the company over policies arising from an inquiry in that state.

In a suit filed in November, the Texas attorney general, Dan Morales, argued that his antitrust inquiry was being impeded by provisions of Microsoft's licensing agreements that require client companies to inform Microsoft before providing information to state or federal investigators.

Microsoft's legal woes next year may extend overseas. A representative from Ralph Nader's public interest group met in Brussels with legal authorities of the European Union, where the competition and antitrust division of the European Commission is considering opening an investigation of Microsoft's business practices. "Right now they are monitoring complaints from specific companies," said James Love, director of the Consumer Project on Technology, one of Mr. Nader's policy groups based in Washington.

Microsoft may also be facing legal challenges to its economic power in Asia. Lawyers for Netscape Communications Corp., Microsoft's competitor in the World Wide Web browser market, said this week that the Ministry of International Trade and Industry in Japan and the government of South Korea had begun separate investigations into Microsoft's business practices.

Microsoft is being sued in an antitrust action by Caldera Inc., maker of Internet software based in Provo, Utah. And in a November hearing before the Senate Judiciary Committee, its chairman, Orrin Hatch, Republican from Utah, said he had not made any secret of the fact that he had serious concerns about Microsoft's recent efforts to exercise what he termed "monopoly power."



CURRENCY & INTEREST RATES

Cross Rates

Dec. 17

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9955	3.287	1.1271	0.3366	0.1149*	—	5.4625*	1.3911	1.5687*	1.4045	1.331*
Brussels	36.32	60.26	20.6365	6.164	2.1047*	18.312	—	25.43	[illegible]	25.54	24.37*
Frankfurt	1.7643	2.917	—	0.2986	0.102*	0.8873	4.8461*	1.2322	1.392*	1.2398	1.1813*
London (a)	1.646	—	2.9163	9.7647	2,880.75	3.2888	60.1613	2.3637	209.54	2.3402	246.81
Madrid	149.424	246.109	84.649	25.379	8.6335*	75.129	4.1031	104.274	117.546*	105.317	—
Milan	1,729.16	2,861.75	980.40	292.55	—	869.75	47.485	1,207.10	13.698	1,215.30	11.569
New York (b)	—	1.6507a	1.774	5.9391	1,742.88	1.9992	36.60	1.4355	127.155	1.4224	149.305
Paris	5.911	9.764	3.3494	—	0.3406*	2.972	0.1623	4.1249	4.65*	4.1462	3.9555*
Tokyo	127.55	209.31	71.68	21.40	0.732	63.69	3.4745	88.61	—	89.48	0.8464
Toronto	1.4223	2.3493	0.802	0.2395	0.0817*	0.7115	0.3887*	0.9908	1.1119*	—	0.947*
Zurich	1.434	2.3466	0.8183	0.2419	0.0836*	0.7188	3.9256*	—	1.1284*	1.008	0.9564*
ECU	1.1174	0.6765	1.972	6.6051	1,933.90	2.2225	40.6939	1.6013	142.847	1.5854	166.977
SDR	1.3612	0.8226	2.4015	N.Q.	2,365.78	2.7072	49.3886	1.9407	171.866	1.9178	203.397

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	277.99	Mex. peso	8.10	S. Afr. rand	4.864
Australian $	1.5140	Hong Kong $	7.7492	N. Zealand $	1.7021	S. Kor. won	1480.0
Austrian sch.	12.418	Hung. forint	201.39	Norw. krone	7.2105	Swed. krona	7.7057
Brazil real	1.113	Indian rupee	39.38	Phil. peso	40.00	Taiwan $	32.52
Chinese yuan	8.31	Indo. rupiah	5600.0	Polish zloty	3.54	Thai baht	46.75
Czech koruna	34.50	Irish £	0.6851	Port. escudo	180.18	Turkish lira	200270.
Danish krone	6.7164	Israeli shek.	3.5415	Russ ruble	5941.0	UAE dirham	3.671
Egypt. pound	3.4033	Kuw dinar	0.3051	Saudi riyal	3.75	Venez. boliv.	502.50
Fin. markka	5.3245	Malay. ring.	3.7922	Sing. $	1.6767		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6503	1.6480	1.6456	Japanese yen	126.46	125.76	125.19
Canadian dollar	1.4177	1.4165	1.4155	Swiss franc	1.4321	1.4316	1.4311
Deutsche mark	1.7610	1.7579	1.7551				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Dec. 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 11/16 - 5 13/16	3 5/8 - 3 3/4	1 7/16 - 1 9/16	7 5/8 - 7 3/4	4 1/16 - 4 3/16	7/8 - 1 1/8	4 1/2 - 4 5/8
3-month	5 3/4 - 5 7/8	3 11/16 - 3 13/16	1 1/2 - 1 5/8	7 13/16 - 7 15/16	3 11/16 - 3 13/16	7/8 - 1	4 1/2 - 4 5/8
6-month	5 3/4 - 5 7/8	3 3/4 - 3 7/8	1 5/8 - 1 3/4	7 7/8 - 7 15/16	3 13/16 - 3 15/16	7/8 - 1	4 9/16 - 4 11/16
1-year	5 7/8 - 6	3 7/8 - 4	1 13/16 - 1 15/16	7 5/8 - 7 3/4	3 15/16 - 4	3/4 - 15/16	4 5/8 - 4 3/4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev	Britain	Close	Prev
Discount rate	5.00	5.00	Bank base rate	7 1/4	7 1/4
Prime rate	8 1/2	8 1/2	Call money	7 1/4	7 5/16
Federal funds	5 1/2	5 7/16	1-month interbank	7 9/16	7 9/16
90-day CDs dealers	5.80	5.80	3-month interbank	7 3/4	7 3/4
180-day CP dealers	5.58	5.57	6-month interbank	7 13/16	7 13/16
3-month Treasury bill	5.10	5.09	10-year Gilt	6.31	6.28
1-year Treasury bill	5.21	5.18			
2-year Treasury bill	5.68	5.66	**France**		
5-year Treasury note	5.76	5.73	Intervention rate	3.30	3.30
7-year Treasury note	5.78	5.75	Call money	3 3/8	3 3/8
10-year Treasury note	5.80	5.76	1-month interbank	3 1/2	3 1/2
30-year Treasury bond	5.99	5.96	3-month interbank	3 1/2	3 5/8
Merrill Lynch 30-day RA	5.18	5.10	6-month interbank	3 9/16	3 9/16
Japan			10-year OAT	5.31	5.29
Discount rate	0.50	0.50			
Call money	0.32	0.29			
1-month interbank	0.95	0.95			
3-month interbank	0.92	0.92			
6-month interbank	0.92	0.92			
10-year Govt bond	1.97	1.91			
Germany					
Lombard rate	4.50	4.50			
Call money	3.41	3.47			
1-month interbank	3.75	3.75			
3-month interbank	3.76	3.76			
6-month interbank	3.86	3.86			
10-year Bund	5.31	5.29			

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

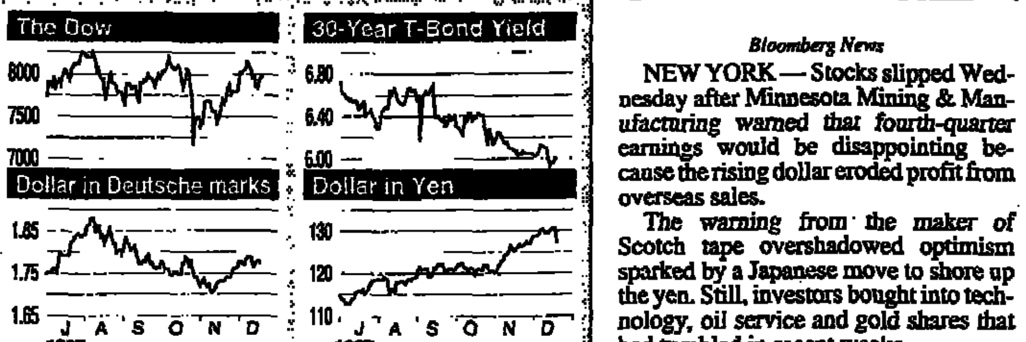
	A.M.	P.M.	Ch'ge
Zurich	N.A.	288.25	+3.00
London	286.10	287.85	+2.35
New York	285.50	291.10	+5.70

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)

Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Wednesday @4PM	Prev. Close	% Change
U.S.	The Dow	7957.41	7922.59	+0.44
U.S.	S&P 500	965.54	964.46	+0.11
U.S.	S&P 100	460.50	460.26	+0.05
U.S.	NYSE Composite	506.59	504.56	+0.40
U.S.	Nasdaq Composite	1547.38	1537.35	+0.65
U.S.	AMEX Composite	671.28	665.35	+0.89
Toronto	TSE index	6622.00	6581.88	+0.61
São Paulo	Bovespa	9858.60	9550.84	+3.17
Mexico City	Bolsa	5107.08	4977.25	+2.61
Buenos Aires	Merval	667.29	671.27	-0.59
Santiago	IPSA General	4797.16	4818.41	-0.44
Caracas	Capital General	8497.05	8382.93	+1.36

Source: Bloomberg, Reuters — International Herald Tribune

3M's Asian Woes Weigh on Blue Chips

Bloomberg News

NEW YORK — Stocks slipped Wednesday after Minnesota Mining & Manufacturing warned that fourth-quarter earnings would be disappointing because the rising dollar eroded profit from overseas sales.

The warning from the maker of Scotch tape overshadowed optimism sparked by a Japanese move to shore up the yen. Still, investors bought into technology, oil service and gold shares that had tumbled in recent weeks.

"You have a market that doesn't know severe Asia's problems are," said James Weiss, deputy chief investment officer for equities at State Street Research & Management in Boston. "Investors are desperately searching for information that will unlock this puzzle, and rotating from sector to sector."

The Dow Jones industrial average fell 18.90 points, to 7,957.41, but advancing issues narrowly outnumbered declining ones on the New York Stock Exchange.

The Standard & Poor's 500-stock index dropped 2.50 points, to 965.54, and the Nasdaq Composite index lost 5.63 points, to 1,547.37.

Earlier, U.S. and Asian markets rallied after Japan's prime minister proposed a tax cut to help the country's faltering economy, and the Japanese central bank sold dollars for the first time in five years. Investors see the yen's stabilization as a precursor to recovery of Asia's financial markets.

3M, one of the 30 Dow stocks, provided new evidence of how much U.S. firms have been hurt by the losses in Asian currencies. 3M tumbled 8 15/16

U.S. STOCKS

to 84 15/16 after disclosing that the weaker currencies overseas will trim its fourth-quarter earnings by 10 percent.

Gold shares gained, helped by expectations that a recovery in Japan would stimulate demand for bullion.

Treasury bonds fell, dragged down by a plunging dollar.

The price of the benchmark 30-year Treasury bond fell 20/32 to 101 20/32, pushing its yield up to 6.01 percent from 5.96 percent on Tuesday.

A weaker dollar makes U.S. assets such as stocks and bonds less attractive to foreign investors because they are worth less when they are converted to local currencies.

Jabil Circuit Inc. shares rose 3¼ to 41¼ after the maker of circuit boards reported better-than-expected earnings, skirting the problems in Asia that have plagued other technology companies.

SBC Communications shares rose ⅞ to 75 on reports that DirecTV, a unit of General Motors Corp.'s Hughes Electronics division, was negotiating with a number of Baby Bells, including SBC and Bell Atlantic, for them to become DirecTV's agents within their respective territories. Bell Atlantic rose ⅛ to 89⅞. DirecTV provides TV and Internet services via satellite.

Snyder Communications shares rose 1 11/16 to 34 11/16 after the provider of advertising services said it won a three-year contract that could be valued at $200 million to provide services to GTE Communications.

Stock in UAL Corp., the parent company of United Airlines, rose 3⅜ to 92¼ after an analyst at Salomon Smith Barney raised his 1998 earnings estimate for the airline.

Dollar Thrifty Automotive Group Inc. shares rose ⅞ to 21⅞ on their first day of trading, helped by a strong car-rental industry and two other successful initial public offerings by competitors this year.

Chrysler spun off its rental car companies, Dollar Rent A Car Systems and Thrifty Rent-A-Car System, in the IPO.

AT&T Ready to Sell Card Unit to Citicorp

Bloomberg News

NEW YORK — AT&T Corp.'s board is expected to approve a $4 billion offer from Citicorp to buy its Universal Card unit, people familiar with the transaction said Wednesday.

Citicorp's offer for the credit-card division is expected to include payments for the right to retain the AT&T name and calling-card privileges as part of a long-term contract.

AT&T is selling the unit to concentrate on its telecommunications business. AT&T Universal Card Services provides customers a combined long-distance calling and credit card.

The Universal card, which was launched in 1990 as one of the first no-fee credit cards, has 18 million customers who owed the company about $14 billion at the end of September, according to Nilson Report, a credit card newsletter.

Citicorp, the largest U.S. credit card company, has 37 million Visa and MasterCard clients who owed it $46.5 billion as of Sept. 30, a bank spokeswoman said.

The proposed deal comes as earnings growth in the credit card industry slowed to 2.6 percent before taxes this year from 3.3 percent in 1996, said Robert Hammer, president of R.K. Hammer, Investment Bankers, a credit card industry advisory firm in California.

AT&T and Citicorp executives were not immediately available to comment on the transaction.

In late trading, AT&T shares were up $1.75 at $58.625 and Citicorp stock was up $1.875 at $131.375.

Very briefly:

- **Polaroid Corp.** plans to cut 1,500 jobs in the next year and a half as the company tries to generate an annual savings of $110 million and increase profit. Most of the job would be cut from factories in Massachusetts, and 40 percent of the other jobs would be from factories abroad.
- **Wiz Inc.** owes its vendors and other creditors $354.6 million, and had $318.2 million in assets, the consumer electronics retailer said in Chapter 11 bankruptcy filing.
- **The Financial Accounting Standards Board** delayed implementation of its derivatives rule to June 15, 1999, from Jan. 1, 1999, to give banks more time to adjust their computer and accounting systems. The rule seeks to give investors a better idea of the value of derivatives held by U.S. businesses.
- **Camden Property Trust** agreed to buy **Oasis Residential Inc.** for $834 million in stock and debt, forming the third-biggest U.S. apartment real estate investment trust.
- **Volkswagen AG**, the German automaker, offered severance pay and other benefits to encourage workers to retire early at its largest factory in Brazil.
- **America Online Inc.** signed an exclusive four-year agreement valued at $40 million with **Barnes & Noble Inc.**'s Internet subsidiary, BarnesandNoble.com, to increase the No. 1 on-line service's revenue from electronic commerce.

AP, Bloomberg

A Huge Order for Set-Top Boxes

Bloomberg News

CHICAGO — NextLevel Systems Inc. said Wednesday it had won $4.5 billion in orders from nine cable-television operators for the new generation of boxes that will bring higher-quality TV pictures and interactive services into the home.

Tele-Communications Inc. and other cable firms will get the right to buy 16 percent of NextLevel for ordering 15 million of the set-top boxes. NextLevel will also swap another 10 percent stake for part of TCI's satellite distribution network.

Investors Take $3.3 Billion Out Of Global Funds

Bloomberg News

NEW YORK — Mutual fund investors withdrew about $3.33 billion net from funds investing in international stocks in the week that ended Monday, according to an industry report.

That follows a week when a net $2.39 billion flowed into international equities funds, the largest inflow in more than two months, according to Trim Tabs Financial Services Inc. of California, which tracks mutual fund money flows.

Funds investing in U.S. stocks also suffered net outflows in the week, a period when the Dow Jones industrial average fell 2.3 percent, Trim Tabs reported.

An estimated net $620 million was pulled from U.S. stocks funds, Trim Tabs said. Investing tends to slow this time of year because it is a period when funds make taxable distributions, meaning any investor who buys a fund now in a taxable account is taxed as if the fund were owned the entire year.

YEN: *Analysts Say That Tax Cut and Intervention May Not Suffice to Buoy Currency*

Continued from Page 13

He added that neither the U.S. Federal Reserve nor the Bundesbank was likely to lower interest rates anytime soon.

But the threat of additional intervention by Japan, which has the world's largest stockpile of reserves at $230 billion, and the year-end bookkeeping crunch which drives many operators out of the market puts off until next year any challenge to drive the dollar back above 130 yen, analysts said.

■ Pound Finds Strength

The pound rose from a seven-week low against the dollar after retail sales were stronger than expected in November, suggesting the central bank might raise interest rates early next year, new agencies reported from New York.

British retail sales rose an annual 4.8 percent in November, more than most economists expected.

Analysts said the sales figures were not low enough to prevent a further increase in the benchmark British lending rate from 7.25 percent, and certainly are not weak enough to allow rates to fall.

FOREIGN EXCHANGE

High British rates mean a better return on deposits denominated in pounds, making the currency more attractive.

"Retail sales have given sterling a little boost," said Gerry Celaya, an analyst at American Express Bank. "People were looking for really soft data, and thinking the next rate move would be down. This raises the fear factor."

Separately, British unemployment dropped for the 21st consecutive month to 5.1 percent of the work force.

Economists fear that further tightening of the labor market might ignite inflationary pressures in the British economy.

"The market has already factored in a 0.25 percentage point increase in the Bank of England base rate," Mark Geddes, an economist at ABN-AMRO said.

But the dollar was at $1.6507 at 4 P.M., up from $1.6355.

The dollar fell to 1.7740 Deutsche marks from 1.7804 DM. "The sale of dollars by the Bank of Japan has directly affected the value of the dollar against the mark," Mr. Geddes said.

The dollar was at 1.4355 Swiss francs, down from 1.4396 and at 5.9391 French francs, down from 5.9659.

(Bloomberg, AFP, AFX)

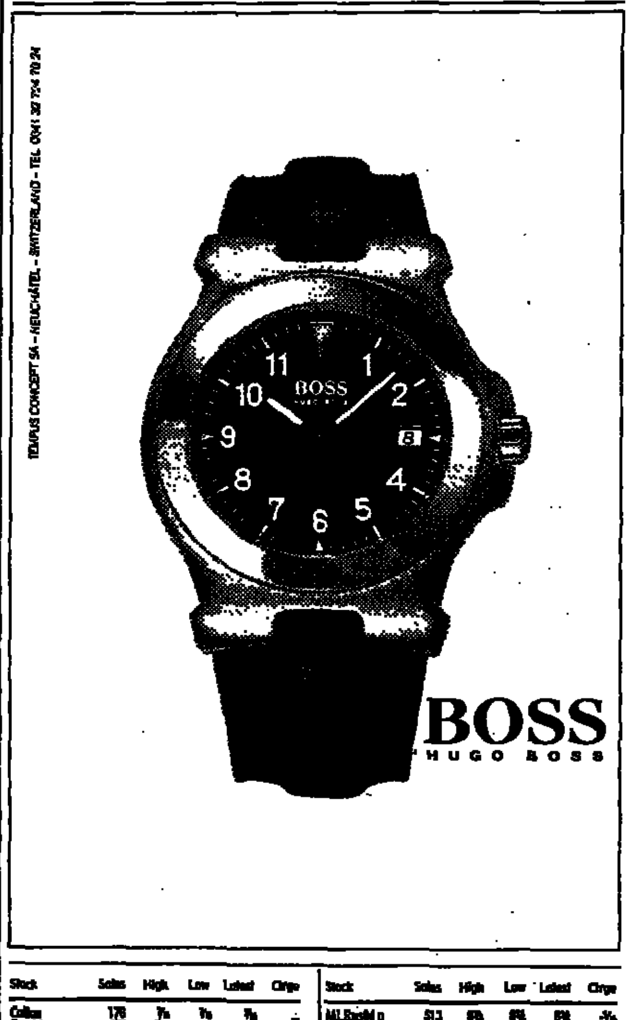
AMEX

Wednesday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



INTERNATIONAL FUTURES

Dec. 17, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	261½	260	261	+1¼	4,079
Mar 98	273½	270¼	272½	+1½	175,644
May 98	280½	278¾	280	+1½	45,925
Jul 98	286	283¾	285¾	+1¼	56,827
Sep 98	282¾	281	282¼	+2½	5,708
Dec 98	284¼	281	284	+2¼	33,148
Jul 99	297	295	297	+3	320
Est. sales 48,000 Tues sales 42,482					
Tues open int 323,337, off 1,925					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	216.50	215.00	215.70	-0.40	4,247
Jan 98	212.00	210.10	211.00	+0.30	28,045
Mar 98	209.20	207.50	208.60	+0.90	34,315
May 98	207.80	206.30	207.70	+1.40	22,525
Jul 98	209.30	207.50	209.30	+1.70	15,927
Aug 98	209.50	207.60	209.50	+1.90	4,557
Est. sales 20 Tues sales 26,474					
Tues open int 117,136, off 1,006					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	24.80	24.53	24.80	+0.27	499
Jan 98	24.95	24.70	24.95	+0.26	34,370
Mar 98	25.22	25.02	25.29	+0.23	39,021
May 98	25.53	25.30	25.51	+0.24	14,691
Jul 98	25.63	25.45	25.62	+0.22	12,006
Aug 98	25.55	25.40	25.55	+0.35	3,339
Est. sales 14,000 Tues sales 16,440					
Tues open int 106,730, off 1,409					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jan 98	691	684	689½	+3½	55,409
Mar 98	691½	685½	690¾	+4¼	38,143
May 98	696	688½	695¼	+4¼	24,146
Jul 98	702	697	702	+6½	75,652
Aug 98	702	695	701	+8	3,427
Est. sales 38,000 Tues sales 37,056					
Tues open int 157,037, up 56					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	333	331¼	332½	+1	77
Mar 98	346¾	342¾	345½	+2½	54,907
May 98	354	350¾	353	+2¼	11,877
Jul 98	359½	356½	358¼	+2	18,857
Est. sales 10,000 Tues sales 10,911					
Tues open int 88,838, off 642					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	67.27	66.00	67.25	+1.07	5,626
Feb 98	66.80	65.90	66.45	+0.52	49,726
Apr 98	69.75	69.00	69.62	+0.50	25,057
Jun 98	69.12	68.45	69.02	+0.55	15,720
Aug 98	70.10	69.60	69.87	+0.27	5,634
Oct 98	72.42	72.20	72.30	-0.12	1,484
Est. sales 16,345 Tues sales 16,551					
Tues open int 103,432, off 818					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 98	77.80	77.15	77.67	+0.70	7,265
Mar 98	78.52	77.90	78.30	+0.45	4,870
Apr 98	78.80	78.47	78.52	+0.20	2,011
May 98	79.57	79.40	79.50	+0.07	1,588
Aug 98	81.45	81.20	81.40	+0.20	785
Sep 98	81.50	81.20	81.50	+0.30	180
Est. sales 2,934 Tues sales 4,007					
Tues open int 16,902, off 556					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Feb 98	60.30	59.85	60.02	-0.37	20,889
Apr 98	57.50	57.00	57.25	-0.50	8,327
Jun 98	65.25	64.72	64.90	-0.42	4,865
Jul 98	64.15	63.85	63.90	-0.15	1,442
Aug 98	61.88	61.60	61.62	-0.25	264
Est. sales 4,831 Tues sales 5,214					
Tues open int 40,180, off 126					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	56.75	55.70	55.82	-1.27	6,004
Mar 98	55.90	55.25	55.30	-1.07	1,277
May 98	57.00	56.25	56.30	-1.65	1,016
Est. sales 1,878 Tues sales 1,260					
Tues open int 8,988, off 49					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 98	1710	1685	1693	-14	44,645
May 98	1735	1713	1720	-14	20,526
Jul 98	1749	1734	1740	-14	4,744
Sep 98	1762	1759	1759	-14	5,855
Dec 98	1780	1780	1780	-14	9,482
Mar 99	1804	1800	1800	-14	9,912
Est. sales 8,885 Tues sales 15,549					
Tues open int 98,236, up 2,581					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	168.00	161.50	164.25	-3.75	266
Mar 98	167.25	160.50	160.85	-6.25	19,179
May 98	162.00	155.50	155.70	-6.00	5,620
Jul 98	155.50	150.05	150.05	-4.90	2,802
Sep 98	147.50	143.90	143.90	-4.30	1,274
Est. sales 5,042 Tues sales 13,630					
Tues open int 30,644, off 997					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	12.22	11.86	12.16	+0.23	100,153
May 98	12.09	11.81	12.00	+0.12	35,085
Jul 98	11.67	11.51	11.64	+0.09	29,189
Oct 98	11.60	11.44	11.55	+0.04	25,598
Est. sales 42,667 Tues sales 48,325					
Tues open int 199,424, off 6,589					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 98	88.50	84.00	86.80	-1.85	17,017
Mar 98	91.70	87.50	90.25	-1.65	20,449
May 98	94.60	90.60	93.60	-1.55	4,689
Jul 98	98.00	94.80	96.85	-1.45	3,057
Est. sales N.A. Tues sales 9,731					
Tues open int 48,927, off 456					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 97	289.70	286.30	289.10	+5.70	275
Jan 98			289.80	+5.70	2
Feb 98	291.70	285.50	291.10	+5.70	101,753
Apr 98	293.60	287.10	292.80	+5.80	11,745
Jun 98	296.00	292.20	294.80	+5.80	11,633
Aug 98	296.80	296.00	296.80	+5.80	5,262
Oct 98			298.90	+5.80	2,443
Dec 98	302.00	299.10	301.00	+5.90	13,836
Feb 99			303.10	+6.00	3,791
Est. sales 35,000 Tues sales 35,137					
Tues open int 187,364, off 624					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 97	79.30	78.40	79.10	+1.25	1,055
Jan 98	79.70	78.70	79.55	+1.30	3,318
Feb 98	80.25	79.50	80.10	+1.25	2,001
Mar 98	80.80	79.70	80.65	+1.30	34,450
Apr 98	81.25	80.50	81.25	+1.25	1,518
May 98	81.70	80.90	81.60	+1.20	4,983
Jun 98	82.00	81.60	82.00	+1.20	1,611
Jul 98	82.60	82.00	82.40	+1.15	3,713
Aug 98			82.75	+1.15	1,232
Est. sales 8,000 Tues sales 6,046					
Tues open int 67,704, up 241					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 97	597.00	592.60	592.60	+1.60	587
Jan 98			594.60	+1.60	29
Feb 98			596.60	+1.60	
Mar 98	609.50	591.50	596.80	+0.30	67,860
May 98	608.00	595.00	596.80	+0.30	6,803
Jul 98	600.00	594.00	596.80	+0.80	7,063
Sep 98	599.00	596.80	596.80	+1.10	810
Dec 98	604.00	590.00	596.40	+1.10	6,082
Est. sales 16,000 Tues sales 16,279					
Tues open int 94,552, up 1,611					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	355.00	342.00	354.00	+13.40	9,446
Apr 98	354.50	345.00	353.20	+13.10	5,143
Jul 98	355.00	347.00	352.70	+13.10	253
Est. sales N.A. Tues sales 5,771					
Tues open int 14,846, up 98					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1506.00	1507.00	1493½	1494½
Forward	1531½	1532½	1520.00	1521.00
Copper Cathodes (High Grade)				
Spot	1739.00	1740.00	1737½	1738½
Forward	1769.00	1770.00	1767.00	1768.00
Lead				
Spot	527½	528½	533½	534½
Forward	538.00	539.00	544.00	544½
Nickel				
Spot	5895.00	5905.00	5930.00	5940.00
Forward	5995.00	6000.00	6030.00	6035.00
Tin				
Spot	5450.00	5460.00	5375.00	5385.00
Forward	5370.00	5380.00	5280.00	5285.00
Zinc (Special High Grade)				
Spot	1108.00	1109.00	1102.00	1103.00
Forward	1132.00	1133.00	1127.00	1128.00

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97			94.93	unch.	3,055
Mar 98	95.06	94.98	95.04	-0.03	7,042
Jun 98	95.06	95.02	95.02	-0.04	1,093
Est. sales N.A. Tues sales 143					
Tues open int 11,213, up 3					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	108-29	108-23	108-28	-05	22,374
Est. sales 40,900 Tues sales 37,606					
Tues open int 241,868, up 21,774					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	112-06	111-29	112-02	-05	18,858
Mar 98	112-01	111-21	111-27	-05	350,101
Jun 98			111-26	-05	2,085
Est. sales 85,580 Tues sales 69,102					
Tues open int 371,044, off 813					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	120-07	119-18	119-29	-12	70,749
Mar 98	120-05	119-13	119-25	-11	452,482
Jun 98	119-26	119-06	119-15	-11	28,333
Sep 98	119-12	119-06	119-06	-11	4,173
Est. sales 350,000 Tues sales 284,276					
Tues open int 760,851, off 3,495					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	120-17	120-07	120-17	-0-11	14,104
Mar 98	121-09	120-24	121-03	-0-10	172,177
Jun 98	N.T.	N.T.	105-13	-0-10	1,098
Est. sales: 46,296. Prev. sales: 53,375					
Prev. open int.: 187,379 up 1,150					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 98	104.45	104.21	104.39	-0.14	249,302
Jun 98	103.80	103.76	103.83	-0.14	1,070
Est. sales: 107,733. Prev. sales: 96,845					
Prev. open int.: 250,37 off 4,909					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,00 - pts of 100 pct					
Mar 98	101.08	100.84	100.98	—.18	142,629
Jun 98	100.4	100.3	100.38	—.18	112
Est. sales: 69,538.					
Open Int.: 142,741 off 22,407.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 98	115.44	115.24	115.37	—0.16	114,927
Jun 98	N.T.	N.T.	114.81	—0.14	53
Est. sales: 26,213. Prev. sales: 23,138					
Prev. open int.: 116,980 up 179					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Jan 98	94.29	94.28	94.29	unch.	22,443
Feb 98	94.27	94.26	94.26	unch.	14,113
Mar 98	94.21	94.20	94.21	-0.01	2,794
Est. sales N.A. Tues sales 5,567					
Tues open int 59,709, up 1,814					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 98	94.18	94.17	94.17	-0.01	5,337
Mar 98	94.17	94.14	94.16	-0.01	491,939
Jun 98	94.17	94.12	94.14	-0.02	385,631
Sep 98	94.12	94.08	94.10	-0.03	263,112
Dec 98	94.05	94.00	94.03	-0.02	230,111
Mar 99	94.05	94.01	94.04	-0.02	160,276
Jun 99	94.02	93.98	94.00	-0.03	135,100
Sep 99	93.99	93.95	93.97	-0.03	98,962
Dec 99	93.95	93.89	93.92	-0.02	102,193
Mar 00	93.95	93.91	93.93	-0.03	73,519
Jun 00	93.92	93.89	93.91	-0.03	61,538
Sep 00	93.90	93.87	93.89	-0.03	52,255
Est. sales 282,709 Tues sales 255,478					
Tues open int 2,779,401, off 45,168					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 98	1.6480	1.6280	1.6444	+.0148	32,539
Jun 98	1.6380	1.6370	1.6374	+.0148	1,265
Sep 98			1.6306	+.0148	4
Est. sales 12,216 Tues sales 6,781					
Tues open int 54,095, off 2,527					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 98	.7070	.7031	.7050	+0.0009	55,668
Jun 98	.7085	.7062	.7063	+0.0008	3,240
Sep 98	.7084	.7073	.7073	+0.0008	787
Est. sales 6,919 Tues sales 11,282					
Tues open int 84,023, off 1,950					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 98	.5712	.5640	.5667	+0.0024	62,424
Jun 98	.5714	.5695	.5695	+0.0024	4,392
Sep 98			.5720	+0.0024	140
Est. sales 18,109 Tues sales 11,808					
Tues open int 93,178, off 1,528					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 98	.8067	.7704	.7976	+.0221	97,034
Jun 98	.8120	.8065	.8084	+.0222	1,672
Sep 98	.8210	.8190	.8190	+.0223	1,270
Est. sales 26,197 Tues sales 9,712					
Tues open int 145,903, off 1,232					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 98	.7071	.7005	.7037	+0.0023	35,439
Jun 98			.7107	+0.0023	1,470
Sep 98			.7176	+0.0023	110
Est. sales 11,061 Tues sales 8,843					
Tues open int 55,245, off 763					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Mar 98	.12010	.11935	.11997	+.00496	16,769
Jun 98	.11617	.11580	.11617	+.00511	3,513
Sep 98	.11285	.11270	.11285	+.00638	4,820
Est. sales 2,207 Tues sales 3,319					
Tues open int 23,733, off 27					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.28	92.25	92.25	—0.03	126,708
Mar 98	92.39	92.35	92.37	—0.02	134,642
Jun 98	92.51	92.45	92.47	—0.03	105,566
Sep 98	92.66	92.61	92.63	—0.04	82,552
Dec 98	92.86	92.80	92.83	—0.03	76,895
Mar 99	93.07	93.00	93.05	—0.02	65,483
Est. sales: 88,643. Prev. sales: 93,290					
Prev. open int.: 802,472 up 4,299					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Jan 98	96.28	96.28	96.28	—0.01	18,179
Feb 98	N.T.	N.T.	96.23	—0.01	750
Mar 98	96.17	96.15	96.16	—0.01	377,510
Jun 98	95.98	95.95	95.97	—0.01	331,716
Sep 98	95.82	95.79	95.81	—0.01	232,345
Dec 98	95.61	95.57	95.60	—0.01	213,405
Mar 99	95.43	95.40	95.41	—0.02	227,615
Jun 99	95.26	95.23	95.25	—0.02	114,054
Sep 99	95.13	95.09	95.11	—0.03	88,144
Est. sales: 104,478. Prev. sales: 108,067					
Prev. open int.: 1,787,467 up 10,446					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jan 98	96.28	96.28	96.28	—.01	1,175
Feb 98	0.0	0.0	96.21	—.01	5
Mar 98	96.17	96.15	96.16	—.01	81,747
Jun 98	95.98	95.95	95.97	—.01	39,533
Sep 98	95.82	95.8	95.81	—.01	29,446
Dec 98	95.63	95.61	95.62	—.02	24,374
Est. sales: 29,239.					
Open Int.: 255,707 off 904.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar 98	94.64	94.57	94.62	—0.01	148,812
Jun 98	95.22	95.18	95.23	—0.01	129,214
Sep 98	95.45	95.41	95.44	+0.01	87,303
Dec 98	95.43	95.39	95.42	—0.01	61,635
Mar 99	95.71	95.28	95.30	—0.01	85,727
Est. sales: 47,891. Prev. sales: 39,079					
Prev. open int.: 540,719 up 4,028					

	High	Low	Latest	Chge	Opint
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 98	67.20	66.42	67.19	+1.07	43,805
May 98	68.40	67.71	68.39	+0.95	15,322
Jul 98	69.70	69.05	69.63	+0.83	15,170
Oct 98	71.50	71.00	71.45	+0.65	1,361
Dec 98	72.30	71.90	72.18	+0.43	12,338
Est. sales N.A. Tues sales 11,575					
Tues open int 88,818, off 562					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jan 98	52.10	50.90	51.78	+0.19	40,847
Feb 98	52.40	51.50	52.19	+0.13	40,754
Mar 98	52.65	52.00	52.39	+0.18	17,338
Apr 98	52.25	51.70	51.99	+0.18	10,189
May 98	51.75	51.30	51.49	+0.18	8,172
Jun 98	51.55	51.15	51.29	-0.01	10,789
Jul 98	51.75	51.49	51.49	+0.18	4,343
Est. sales N.A. Tues sales 38,825					
Tues open int 148,633, up 1,419					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jan 98	18.40	17.96	18.19	+0.02	48,011
Feb 98	18.58	18.15	18.39	+0.02	108,891
Mar 98	18.71	18.34	18.58	+0.02	39,013
Apr 98	18.88	18.52	18.74	unch.	25,225
May 98	18.98	18.66	18.88	unch.	21,667
Jun 98	19.06	18.76	18.96	unch.	34,284
Est. sales N.A. Tues sales 102,040					
Tues open int 430,873, off 7,597					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 98	2.510	2.380	2.428	+0.029	41,759
Feb 98	2.460	2.330	2.401	+0.032	35,852
Mar 98	2.375	2.275	2.333	+0.034	24,429
Apr 98	2.265	2.210	2.240	+0.020	12,083
May 98	2.230	2.190	2.210	+0.018	9,321
Jun 98	2.230	2.185	2.210	+0.025	8,926
Est. sales N.A. Tues sales 40,957					
Tues open int 217,308, up 1,232					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jan 98	55.85	54.45	55.53	+0.02	24,311
Feb 98	56.15	55.10	55.74	unch.	30,993
Mar 98	56.60	55.90	56.29	unch.	12,180
Apr 98	59.10	58.70	58.89	unch.	11,276
May 98	58.85	58.55	58.67	-0.04	10,207
Jun 98	58.40	57.90	58.17	-0.27	7,990
Jul 98			57.52	-0.04	6,729
Aug 98	57.20	56.67	56.67	-0.04	3,397
Est. sales N.A. Tues sales 35,521					
Tues open int 111,082, up 1,079					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 98	160.50	157.00	160.00	—3.50	27,979
Feb 98	161.50	159.50	160.75	—3.75	12,894
Mar 98	161.50	159.75	161.50	—3.50	12,302
Apr 98	161.50	160.25	161.25	—3.25	4,848
May 98	161.75	159.75	161.50	—2.75	2,141
Jun 98	161.50	160.00	161.25	—2.75	11,296
Jul 98	162.50	162.50	162.50	—1.50	3,333
Est. sales: 13,073. Prev. sales: 12,494					
Prev. open int.: 87,909 off 3,446					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Jan 98	17.55	17.20	17.40	+0.03	82,473
Feb 98	17.62	17.32	17.52	+0.04	32,534
Mar 98	17.67	17.40	17.58	+0.02	15,774
Apr 98	17.73	17.48	17.63	+0.01	12,031
May 98	17.74	17.69	17.67	+0.01	18,169
Jun 98	17.74	17.74	17.71	+0.01	6,055
Est. sales: 39,000. Prev. sales: 51,032					
Prev. open int.: 178,803 off 14,161					
Stock Indexes					
SP COMP INDEX (CMER) 250 x index					
Dec 97	973.40	964.50	964.50	-5.00	138,612
Mar 98	988.10	975.20	975.20	-5.20	309,205
Jun 98	996.08	991.00	992.30	+1.80	7,439
Est. sales N.A. Tues sales 193,554					
Tues open int 458,736, up 9,581					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	5265.0	5230.0	5208.0	—10.0	28,438
Mar 98	5316.0	5290.0	5259.5	—9.5	41,872
Est. sales: 27,450. Prev. sales: 32,459					
Prev. open int.: 70,310 up 2,776					
CAC 40 (MATIF) FF200 per index point					
Dec 97	2930.00	2896.0	2901.0	— 17.0	39,322
Jan 98	2938.0	2906.5	2908.0	— 17.0	10,562
Feb 98	2947.0	2931.5	2917.0	— 17.0	1,320
Mar 98	2951.0	2922.0	2924.5	— 17.0	14,037
Est. sales: 23,506.					
Open Int.: 83,514 up 581.					

Commodity Indexes

	Close	Previous
Moody's	1,468.70	1,484.10
Reuters	1,760.60	1,785.00
D.J. Futures	142.65	142.47
CRB	234.01	233.01

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

U.S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8001.92	8034.09	7933.84	7957.41	-18.90
Trans	3274.91	3276.53	3229.59	3235.19	-20.22
Util	264.45	265.99	264.84	265.88	+1.84
Comp	2614.29	2620.83	2592.70	2599.16	-5.27

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1124.35	1112.23	1119.85	1115.43
Transp.	698.06	690.53	693.12	691.61
Utilities	225.37	224.19	224.52	225.90
Finance	120.16	118.82	118.89	119.13
SP 500	973.00	963.39	968.04	965.54
SP 100	465.28	459.86	462.65	460.50

NYSE

	High	Low	Last	Chg.
Composite	509.46	505.89	506.59	-0.16
Industrials	630.06	624.42	625.37	-1.28
Transp.	466.40	461.07	461.65	-1.78
Utility	326.65	323.86	325.78	+1.92
Finance	495.99	493.16	494.67	+1.31

Nasdaq

	High	Low	Last	Chg.
Composite	1568.54	1546.49	1547.37	-5.63
Industrials	1199.28	1188.42	1189.67	-0.01
Banks	2063.31	2044.15	2050.12	-6.40
Insurance	1801.84	1785.94	1800.01	+11.07
Finance	2464.56	2448.60	2459.99	+15.49
Transp.	1042.31	1032.10	1036.08	-2.21

AMEX

High	Low	Last	Chg.
671.71	668.85	671.28	+2.40

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	105.12	105.09
10 Utilities	102.79	102.81
10 Industrials	107.45	107.37

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	104498	57⁹⁄₁₆	55¼	55⅜	-2⅛
AT&T	72169	58⁹⁄₁₆	57⅛	57⅞	+1
Motorola	63667	57⅛	54⅝	54⅞	-3
DollarT wi	57432	21⅞	21⅛	21½	—
NextLev n	49035	18¼	17	17¾	+3⅝
Hilton	45586	27⁹⁄₁₆	26⅝	26½	-1⅛
IBM s	44020	105½	102	102	-1¼
GreenTrF	40369	25⅛	23½	24½	+2⅛
CUC Intl	39640	32⁹⁄₁₆	31¼	32½	+⅛
GaPTim n	39164	25¼	24⅜	24⁹⁄₁₆	-⅛
PepsiCo	38625	35⁹⁄₁₆	34⁹⁄₁₆	34⁹⁄₁₆	-½
MicrnT	38481	23⅞	23	23⅜	-⅜
TexInst s	37955	44⅞	43¾	43⁹⁄₁₆	-⅛
FstData	36351	28¼	26⅛	26⅜	-⅛
Boeing s	36109	51¼	50⁹⁄₁₆	50⁹⁄₁₆	-⅛

Nasdaq

	Vol.	High	Low	3:45	Chg.
Intel s	171451	72⅜	69¾	69¹⁵⁄₁₆	-1⅝
Cisco s	150396	57	54½	54⁹⁄₁₆	+1⅜
Danka	123815	15¼	13¼	15	+1⅞
Oracle s	115700	23⅜	22⁹⁄₁₆	22½	-⅞
Centocor	112443	32¼	28	31⅛	-4⅛
ApldMat s	110991	30	28⅝	28½	-½
SunMic	97031	38⅛	37⁹⁄₁₆	37⅝	+1⅛
US OICP s	72009	17⅜	15⁹⁄₁₆	17	+1⅛
DellCpt s	65644	88⅜	85½	85¾	-1⅛
3Com	61714	35⁹⁄₁₆	34½	35	-⅛
Microsft	54184	148⅛	136¼	136⅝	-2⅝
MCI	42484	44½	43⁹⁄₁₆	44⁹⁄₁₆	+⅛
Jabil s	38491	44⁹⁄₁₆	40¼	41⅞	+4⅛
EFII s	37887	14½	13⁹⁄₁₆	13½	-½
Ascend	37622	26⅛	24⅞	25⁹⁄₁₆	-1⅛

AMEX

	Vol.	High	Low	Last	Chg.
Hasbro s	31838	36½	34½	36	+1⅝
Nabors	23000	34	31⅜	32⅝	-1⅛
SPDR	21853	97⅛	96⁹⁄₁₆	96	-⅝
EchoBay	15473	2⅞	2⁹⁄₁₆	2⁹⁄₁₆	+⅛
PegGld	14635	⅝	⅝	⅝	+⅛
RoyalO g	13685	1⅝	1⅝	1⅝	—
FAusPr	11301	7½	7⅛	7½	+⅛
GreyWolf	10692	6⅝	6	6⅝	—
BemaGold	10018	2½	2⅜	2⅞	+⅛
TWA	9948	11½	10⅝	10⅝	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1656	1737
Declined	1304	1245
Unchanged	512	505
Total issues	3472	3487
New Highs	204	210
New Lows	61	86

Nasdaq

	Noon	Prev.
Advanced	1921	2385
Declined	1786	1954
Unchanged	1866	1514
Total issues	5573	5753
New Highs	90	147
New Lows	134	234

AMEX

	Close	Prev.
Advanced	388	291
Declined	301	297
Unchanged	173	169
Total issues	763	757
New Highs	14	25
New Lows	15	29

Market Sales

	Today 4:00	Prev. cons.
NYSE	622.73	752.45
Amex	30.00	46.92
Nasdaq	705.99	784.93

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Oppenheimer Cap	-	.58	12-31	1-30
STOCK SPLIT				
FCS Labs 1 share of IRI Corp for each share.				
Gen Motors .06341 of a share of class A of H.E. Holdings for each share held.				
STOCK				
Comm Bncp NJ	-	5%	1-7	1-21
First Fincl	-	5%	1-9	1-23
INCREASED				
Comm Bncp NJ.	Q	.24	1-7	1-21
FNB Rochester	S	.10	1-15	1-30
Fst Commonwlth	Q	.22	12-31	1-15
Hercules Inc	Q	.27	3-6	3-25
Interwest Bncp	Q	.18	12-26	1-12
EXTRA				
Transom Inco Shrs	-	.017	12-31	1-15
SPECIAL				
Ziegler Co	-	.30	1-9	1-23
Blue Square	-	.23	12-23	12-29
INITIAL				
Hudson Chart n	-	.13	12-31	1-15
YEAREND				
Am Balanced Fd	-	1.29	12-17	12-18
CIGNA Hi Inco	-	.054	12-26	1-9
Growth Fd Amer	-	2.19	12-17	12-18
Inco Fd Amer	-	.22	12-26	12-29
Irish Inv Fd	-	.77	12-22	12-31
Latin Am Grwth	-	.3156	12-22	12-29
Morgan Grenf Sml	-	.99	12-26	1-26
Morgan Gr Smlcap	-	1.25	12-30	1-26
Pf Income Fd	-	.46	12-24	12-31
Pf Inco Mngmnt	-	.47	12-24	12-31
Pf Inco Opport	-	.325	12-24	12-31
Strat Glb Inco	-	.4321	12-24	12-31
Temple Vietnam	-	.11	12-31	1-14
REGULAR				
Alexandria Riest	Q	.40	1-9	1-16
Aquarion Co	Q	.41	1-9	1-30
Bankers Tr NY.	Q	1.00	12-24	12-29
Cascade Nat Gas	Q	.24	1-15	2-13
Gen Grwth Prop	Q	.45	12-30	1-30
Kilroy Rlty	Q	.3875	12-31	1-9
Lilly,Eli	Q	.20	2-13	3-10
PIMCO Advis LP.	Q	.58	12-31	1-30
Pioneer Hi Bred	Q	.26	12-29	1-9
Prentiss Prop	Q	.40	12-26	1-16
Superior Propane	Q	.27	12-31	1-15
Templeton EmrgMkt	Q	.31	12-31	1-14

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y-ex-dividend and sales in full. yld - yield. z - sales in full.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

هكذا من الأصل

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NASDAQ

Wednesday's 4 P.M.
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Wednesday's 4 P.M. Close
(Continued)

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INTERNATIONAL FUNDS

December 17, 1997

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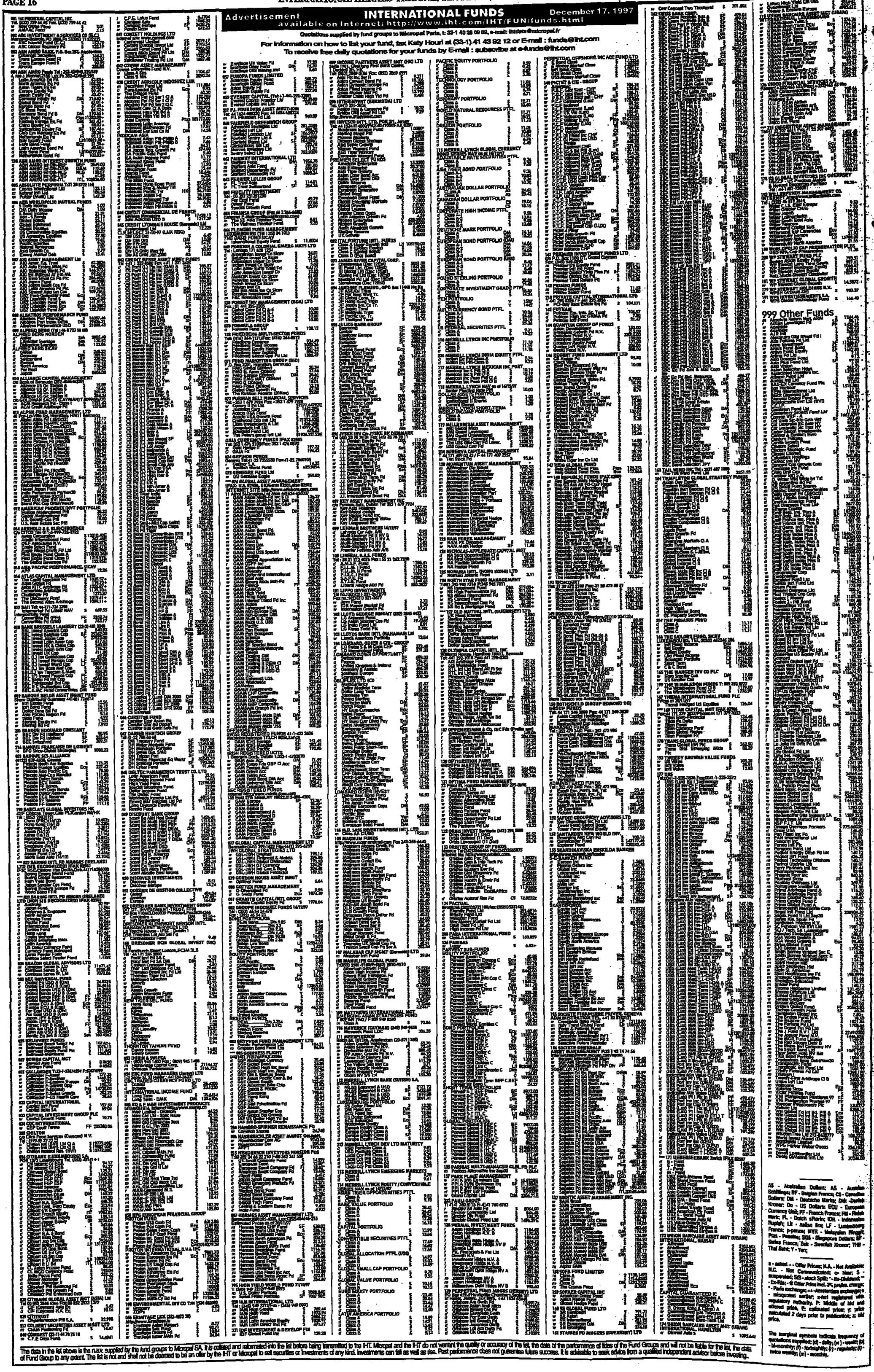

999 Other Funds

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; Dkk -Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; Fl - Polish Mark; FL - Dutch sFlorin; IDR - Indonesian Rupiah; Lit - Italian lire; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Peseta; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kroner; THB - Thai Baht; Y - Yen;

s - asked - - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o- Near; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rits; - @ Offer Price incl. 3% prelim. charge; ^ - Paris exchange; ++-Amsterdam exchange; e - sesquoted earlier; z-not registered with regulatory authority, P: Middle of bid and offered price, E: estimated price; y: price calculated 2 days prior to publication; x: old price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (v) - twice weekly; (m) - monthly.

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صكذا من الأهل

Seoul Sends the IMF Conflicting Signals

Compiled by Our Staff From Dispatches

SEOUL — The won fell for the first time in three days Wednesday after South Korea delayed plans to bolster banks and instead offered aid to brokerages, sending conflicting signals to the International Monetary Fund about the government's commitment to financial reform.

The IMF will meet Thursday in Washington to decide whether to release $3.6 billion in loans, the second installment of an international bailout of South Korea's crippled economy.

Seoul stocks rose for a fourth straight day, meanwhile, as the government supported prices with promises to pump money into the market.

The government said it would let investors buy bonds anonymously in a bid to lure money into financial markets and make 1.7 trillion won ($1.15 billion) available to brokerages to help them avoid insolvency.

The government had promised to let ailing financial institutions fail or be taken over as a condition for receiving as much as $60 billion in loans arranged by the IMF. South Korea is counting on the next installment to help cover $15 billion in foreign currency debt that matures this month.

"A continuation of the aid program is not a foregone conclusion," said Scott Blanchard, a trader at ABN Amro Hoare Govett Asia Ltd. in Hong Kong.

"I would expect the IMF to look upon the continued support of unhealthy companies as a breach of the aid agreement," Mr. Blanchard said. "The Korean government continues to equate the health of the stock market with the health of the overall economy. This will only serve to extend and deepen the bear market."

But in a step the IMF might applaud, the government said it would delay a plan to recapitalize six of its biggest banks. It had planned to swap as much as 2 trillion won of stock in state-owned companies in exchange for a stake in the banks.

At the same time the government postponed aid to the banks, it pressed ahead with emergency financing for the nation's brokerages. They received 216.5 billion won of six-month loans Wednesday out of a total of 2 trillion won that might be made available.

Two of South Korea's 34 brokerages, Dongsuh Securities Co. and Coryo Securities Corp., collapsed this month after banks stopped lending to them, leaving them unable to repay debt.

The government aid triggered a late stock market rally. The benchmark Composite index rose 14.23 points, to 418.49. The dollar rose meanwhile, to 1,480 won, from 1,425 on Tuesday.

A key question for the IMF is the government's continued commitment to reforms when a new administration takes office in February. Voters will choose a new president Thursday and the candidates have sent mixed signals about whether they will adhere to policies that will curb economic growth and drive up unemployment.

(Bloomberg, AFP)

Investment in Asia Expected to Fall

China Will Get Lion's Share of Foreign Funds, Analysts Say

Agence France-Presse

HONG KONG — Foreign investment in Asia is likely to drop sharply next year, with the main focus of investment shifting toward acquisitions of local companies, a Hong Kong-based think tank said Wednesday.

At the same time, the huge size of China's domestic market will enable it to continue to soak up the lion's share of the investment, Political & Economic Risk Consultancy Ltd. said in a report.

Greater China — which the research organization defines as mainland China, Hong Kong, Taiwan and Singapore — "is likely to emerge as an even bigger sponge for foreign direct investment," the report said.

In 1996, mainland China absorbed 52 percent of Asia's total foreign direct investment, or $42.3 billion out of a total $81.2 billion.

China's own figures show that foreign direct investment has fallen back sharply so far this year, the report said.

Greater China's absorption of so much of the region's foreign investment, at a time when Asian companies are scrambling for funds, may increase tensions in the future, the consultancy cautioned.

The research group surveyed more than 400 expatriates in the region to ask how receptive they felt various Asian countries were to foreign investment.

Hong Kong, then Singapore, ranked as the most open to foreign investment, with the least restrictions or discrimination, while Vietnam ranked as the most hostile, followed by South Korea.

■ Thai Growth Projections Scaled Down

Thailand's economic turmoil has forced an official research organization to rewrite its economic plan and scale down growth projections for the next several years, Reuters reported from Bangkok.

Economists at the National Economic and Social Development Board said Thailand's gross domestic product would post 4 percent growth in 1999 after 0.6 percent expansion this year and zero growth in 1998.

Nissan Aims to Recharge Sales in Japan

Bloomberg News

TOKYO — Nissan Motor Co. aims to increase domestic sales by 7.1 percent next year in a bid to stay ahead of Honda Motor Co. as Japan's No. 2 automaker after Toyota.

Nissan forecast that its domestic production next year would rise 2.3 percent to 1.77 million vehicles. Exports from Japan are projected to fall 6.9 percent, to 640,000 vehicles. In 1998, Nissan intends to focus less on slow-selling sedans and more on small sport-utility vehicles.

The goal, said Yoshikazu Hanawa, Nissan's president, is to boost Nissan's share of the Japanese market, excluding minicars, to 25 percent by the year 2000 from 20.6 percent in the six months ended Sept. 30. Nissan held a 23.2 percent share in early 1991.

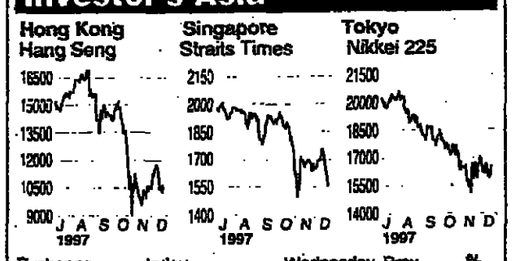
"If we don't achieve 25 percent domestic share by 2000, we're going to be in trouble," Mr. Hanawa said.

The automaker's hopes to lift domestic sales by 7.1 percent next year would amount to production of 1.12 million vehicles. It sees domestic sales overall rising only 2.4 percent.

Nissan is pinning its hopes on nine new and remodeled vehicles to be introduced in the year to March 1999. Four or five of those will be recreational vehicles, but the company may be too late getting into that market, some analysts believe.

Honda for the first time in its 49-year history laid claim to the No. 2 spot in Japan's automobile industry in November, when its domestic sales exceeded Nissan's by 4.3 percent, according to figures released by the Japan Automobile Dealers Association.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,692.70	10,346.38	+3.35
Singapore	Straits Times	1,569.51	1,561.75	+0.50
Sydney	All Ordinaries	2,562.10	2,514.10	+1.91
Tokyo	Nikkei 225	16,541.06	15,985.21	+3.48
Kuala Lumpur	Composite	556.79	544.31	+2.29
Bangkok	SET	376.16	370.28	+1.59
Seoul	Composite Index	418.49	404.26	+3.52
Taipei	Stock Market Index	8,347.20	8,183.65	+1.87
Manila	PSE	1,796.90	1,801.38	-0.25
Jakarta	Composite Index	368.69	356.39	+3.45
Wellington	NZSE-40	2,297.76	2,332.36	-1.48
Bombay	Sensitive Index	3,487.02	3,424.87	+1.81

Source: Telekurs International Herald Tribune

Very briefly:

• **Internationale Groep Nederlanden NV** will not buy a 10 percent stake in **Siam City Bank PCL**. It said the Thai bank's inability to sell more than 5 percent of 300 million new shares gave it the right to drop an agreement signed last month.

• **Fuji Bank Ltd., Industrial Bank of Japan Ltd.** and **Bank of Tokyo-Mitsubishi Ltd.** said they might not be able to collect billions of yen owed them by **Yamaichi Real Estate Inc.**, a failed unit of the bankrupt **Yamaichi Securities Co.**

• **Merrill Lynch & Co.** confirmed that it was considering buying part of the mutual fund unit of **Yamaichi Securities** in tandem with **Sanwa Bank Ltd.**

• **Daiei Inc.**, Japan's largest supermarket chain, established the country's first holding company since the end of World War II. **Daiei Holding Corp.** will own shares of unlisted Daiei companies, mostly service operations and restaurants. A law lifting a ban on holding companies took effect Wednesday.

• **Burmese** police have arrested several unauthorized currency dealers in central Rangoon and seized thousands of dollars, according to witnesses, amid a plunge of the kyat.

• **China** will choose nuclear power suppliers through open tenders, the official China Daily quoted Tang Zide, deputy director of the nuclear power office under the State Planning Commission, as saying. Another official said such bidding would begin after 2000.

• **Shanghai Pudong Iron & Steel** and **Fried. Krupp AG Hoesch-Krupp** agreed to build a $1.4 billion plant in Shanghai that will produce 440,000 tons of stainless steel by 2006. The German company will own 60 percent of the venture.

• **French** apples are arriving in Japan after 18 years of negotiations, with 12 tons going on sale at **Dalei** and **Jusco Co.** supermarkets, but the French food promotion agency **Sopexa** has complained about regulations that it said forced farmers to, among other things, grow the apples in specially approved orchards.

• **Thailand** signed agreements with two domestic subsidiaries of **Unocal Corp.** to explore and expand natural gas production in the Gulf of Thailand. *Bloomberg, Reuters, AFP*

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AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, December 15, 1997

TELKOM: *Critics Berate U.S.-Style Aggressiveness at South Africa Phone Firm*

Continued from Page 13

High-tech enterprises are snapping at the edges of the empire, trying to redefine exactly what "being the only phone company" means. Consultants say the hastily written 1996 law has big holes in it.

The act also created the South African Telecommunications Regulatory Authority. The first ruling by the new regulator agreed with Telkom that overseas call-back services violated the monopoly. Call-back services, most of them based in the United States, let a South African call an American computer, hang up, wait for the computer to call back and connect him to a third party. Because the call is charged at United States rates — as much as 65 percent below Telkom's — many big companies and even the Foreign Affairs Ministry use call back.

In response, Telkom recently cut its overseas rates, but only by about 13 percent. The call-back operators took the issue to court.

In October, the regulator unexpectedly dismissed Telkom's demand that 75 small Internet-access companies be shut. It said Internet access was a "value-added" service and wide access was in the public interest. Telkom said the regulator had misunderstood the Internet and violated its monopoly. It sued the regulator.

On Nov. 3, Telkom raised local rates by 26 percent. A leading paper, *Business Day*, applauded the decision, saying long-distance calls had subsidized local ones too long.

But the regulator rejected the increases. Telkom promptly said it would go ahead anyway. The company effectively undermined the regulator's Internet decision by refusing to sell lines to Internet providers while the issue is in court.

To improve its public image, Telkom bought full-page ads in several papers to publish a letter from Mr. Geschwind. It said the company was "being neither high-handed, bullying or in any way unprofessional."

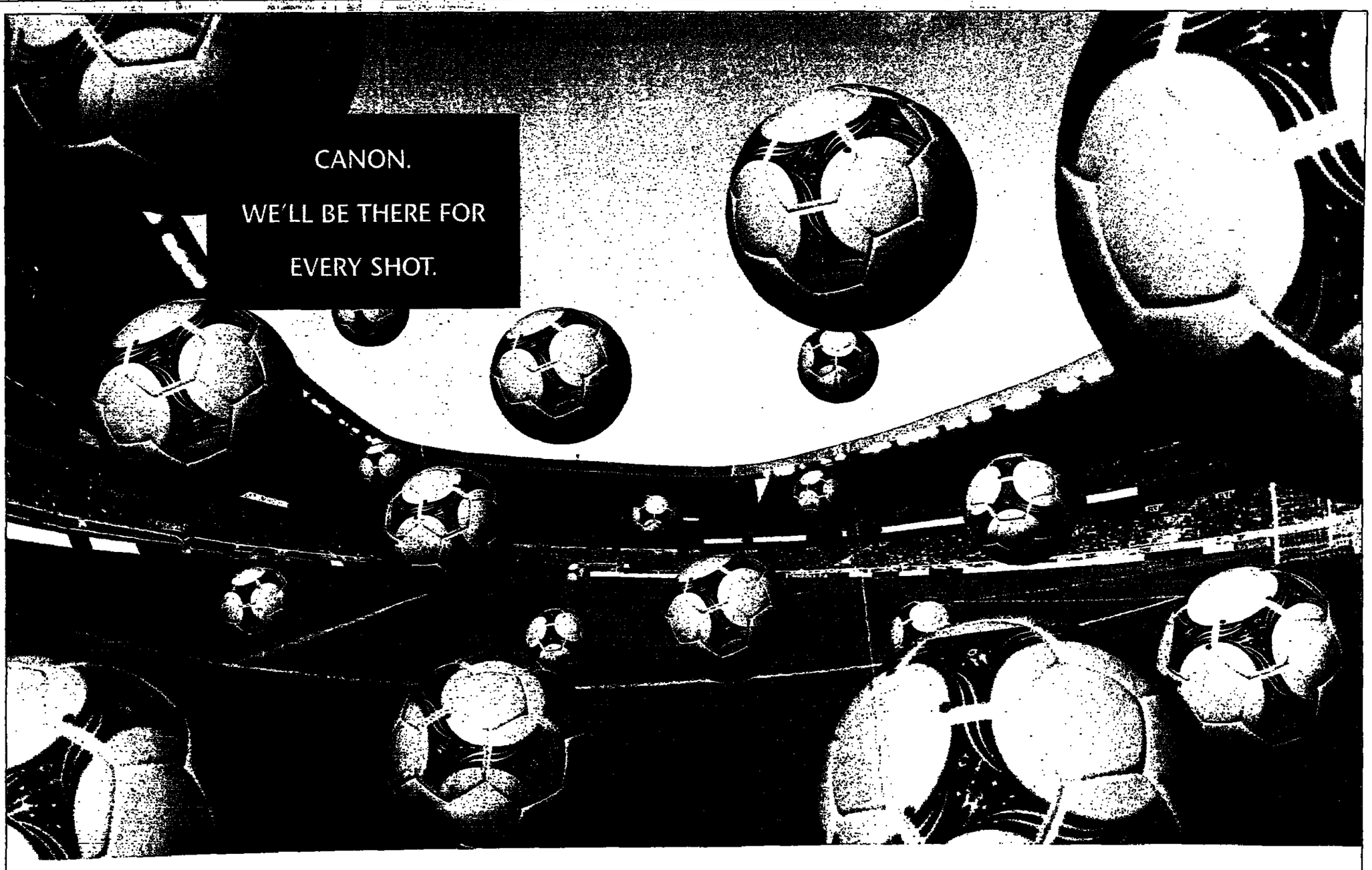
All this has not gone over terribly well with South Africans.

Internet companies, meanwhile, said their request for a meeting had been ignored.

David Ingram, chairman of the South African Telephony Managers Association, said Telkom was "high-handed" with his association, which represents banks, brokerage firms and other big phone users. In April, he said, the association asked to be consulted before Telkom raised any rates.

"Promises were given but not kept," he said. "We got a phone call on a Friday telling us to come over on Monday, and on Monday they just announced the 26 percent increase."

Meanwhile, the government is carefully staying out of the fray. Even the consultant who is Telkom's harshest critic said he admired the new management's effectiveness. "If they did a public offering now," he said, "I'd be the first in line for it. They're going to make a lot of money."



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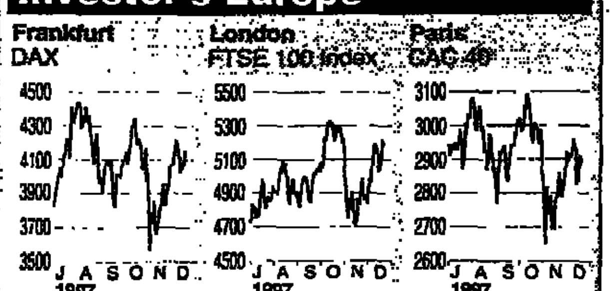


Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	914.76	904.72	+1.11
Brussels	BEL-20	2,495.79	2,475.99	+0.80
Frankfurt	DAX	4,158.68	4,083.97	+1.83
Copenhagen	Stock Market	665.16	656.75	+1.28
Helsinki	HEX General	3,265.38	3,198.63	+2.09
Oslo	OBX	670.94	671.61	-0.10
London	FTSE 100	5,190.80	5,203.40	-0.24
Madrid	Stock Exchange	629.93	630.64	-0.11
Milan	MIBTEL	16175	16161	+0.09
Paris	CAC 40	2,893.25	2,912.18	-0.65
Stockholm	SX 16	3,251.56	3,213.20	+1.19
Vienna	ATX	1,265.17	1,260.12	+0.40
Zurich	SPI	3,808.65	3,789.10	+0.50

Source: Telekurs — International Herald Tribune

Very briefly:

- **A Dresdner Bank AG** supervisory board member, Klaus Carlin, has called on Dresdner's investment-banking head, Hansgeorg Hofmann, to resign following his admission of having failed to pay enough income tax on money diverted to Swiss bank accounts since 1989.
- **Pearson PLC**, the British media conglomerate, said operating profit and sales in the second half would continue to grow, with profit expected to be about £20 million ($32.7 million) for the year ending Dec. 31, though the increase was tempered by the strong pound.
- **Zeneca Group PLC** has acquired **ISK Americas Inc.**, a U.S. unit of **Ishihara Sangyo Kaisha** of Japan, for $500 million to reinforce its position in the U.S. agrochemicals market.
- **Royal Bank of Scotland Group PLC** has agreed to buy **Angel Train Contracts**, a British rolling-stock leasing company, for as much as £408 million.
- **An Organization for Economic Cooperation and Development** agreement on legislation to criminalize bribery of government officials has been signed by over 30 countries.
- **Guardian Royal Exchange PLC**, a British insurer, will buy **PPP Healthcare Group PLC** for £435 million to boost its health care coverage.

Bloomberg, AFP, Reuters

Allianz and Generali Strike Deal Over AGF

Insurers Seek to Avoid a Bidding War

Compiled by Our Staff From Dispatches

PARIS — Allianz AG and Assicurazioni Generali SpA agreed to carve up Assurances Generales de France SA, rather than intensify a bidding war for the French insurer, said the chief executive of AGF, Antoine Jeancourt-Galignani, on Wednesday.

The agreement means Italy's largest insurer will not top Allianz's $10.4 billion offer for AGF, as some analysts had expected.

The battle started Oct. 13 with Generali offering to pay $9.5 billion for AGF, in the first ever hostile takeover bid by a foreigner for a French financial institution.

A Generali spokesman in Trieste confirmed the existence of a draft accord regarding AGF but said "nothing yet has been signed."

Under the deal, Allianz, Germany's biggest insurer, will buy AGF for 320 francs ($53.60) a share and sell part of AGF's Athena unit to Generali. The arrangement will make Allianz the second biggest insurer in France after Axa-UAP SA.

As part of the deal, Generali will also buy the shares owned by AGF, Allianz and partners of the German insurer in AMB Aachener & Muenchener Beteiligungs AG, giving Generali a controlling stake in Germany's third-biggest insurer. Financial terms of the Athena and AMB sales were not disclosed.

"The agreement is good news for Allianz and Generali, as it allows them to save their cash for other expansion projects," said Patrick Jacob, a fund manager at Cyril Finance Gestion.

Before the acquisition of AGF, Allianz was relatively weak in France — a market which had generated 4 percent of its 74.6 billion DM ($41.9 billion) in premium income in 1996.

The agreement with Generali will help the Italian insurer raise its presence in Germany, which generated 9 percent of its premiums in 1996, compared with 21 percent in France.

The acquisition of the two Athena units and AMB will hoist Generali to the No. 3 spot in the European insurance league after Axa-UAP and Allianz.

Mr. Jeancourt-Galignani said Allianz would sell Athena's subsidiaries that specialize in life insurance and pensions to Generali.

AGF shares fell 9 francs, or 2.8 percent, to 317.10 as expectations of a bidding war for the company evaporated.

AMB shares rallied 21.50 Deutsche marks in Frankfurt, or 13 percent, to 190.50 DM on expectations Generali would bid for the rest of the company's shares.

Generali has not made a decision on whether to buy out AMB minority shareholders. Under German law it has no obligation to do so. Allianz rose 14 DM, or 3.2 percent, to 452.50 DM and Generali fell 650 lire, or 1.5 percent to 42,550 lire ($24.40).

Preparations for Europe's single currency, which is to start on Jan. 1, 1999, has sparked a series of acquisitions in the insurance industry in recent months because it will make it easier for companies to sell the same products in countries that share the currency and eliminate exchange-rate costs in the region.

Munich Re, the world's largest reinsurer, in September bought a 20 percent stake in Reale Riassicurazioni SpA, Italy's second-biggest reinsurer. In August, Credit Suisse Group bought Winterthur Insurance Co. for $10.5 billion in stock. *(Bloomberg, AFX)*

Bundesbank Is Nervous Over Asia

By John Schmid
International Herald Tribune

FRANKFURT — The Bundesbank underscored worries Wednesday that the Asian economic crisis bears risks for German growth.

In a carefully worded statement, repeated in different chapters of the German central bank's December report, the Bundesbank said the export-driven recovery would continue into next year but warned against overlooking potential risks to the export sector.

"The crisis in Southeast Asia until now generally has not impaired demand for German products," the monthly report said. "Nevertheless, the risks stemming from there cannot be ignored."

The direct effect, the Bundesbank said, probably would be limited because only 6 percent of German exports go to the slumping economies in East Asia. But it added that the situation could change if "contamination effects" from Asia "braked the expansion rate of the world economy as a whole."

"They did very well to point out that there are these risks," said Gunther Thumann, a Salomon Smith Barney economist in London. "No one wants to dramatize it unnecessarily, but one cannot ignore it."

The warning coincides with a downward shift in private forecasts of economic growth for Germany and all of Western Europe. Joachim Fels of Morgan Stanley, Dean Witter, Discover & Co. said Wednesday that he had reduced his estimate for 1998 West European growth to 2.7 percent from 2.9 percent. Germany, the largest European economy, is expected to grow 2.5 percent instead of 2.7 percent.

"It would be wrong to say Europe is insulated" from the Asian crisis, Mr. Fels said. "It clearly has an impact we should not ignore."

Even without the Asian crisis, economists have been saying that Germany's double-digit export growth is on the verge of slowing.

"Now the deceleration will be larger because these countries will import less than otherwise," Mr. Fels said.

Alitalia Goes Dutch in Choosing Partner

Bloomberg News

ROME — Alitalia SpA chose KLM Royal Dutch Airlines NV as its international partner Wednesday, culminating a months-long search intended to cement the Italian carrier's turnaround and give it more access to global markets.

KLM was chosen over Air France and SAir Group's Swissair as partner in an alliance to funnel passengers to each other after a meeting of Italian state holding company Istituto per la Ricostruzione Industriale's board, Andrea Monorchio, chairman of IRI's internal audit committee, said.

IRI owns about 85 percent of Alitalia and expects that stake will be sold more easily to investors if the new partnership is successful.

The alliance, whose details will be announced at a press conference Friday, will give KLM, a big international carrier with only a small domestic base, access to Italy's huge domestic market.

For Alitalia, choosing the Dutch carrier over state-run Air France signals that it is committed to finishing reforms and shedding its reputation as a poorly managed, marginal carrier in the European airline industry.

"What they need is a partner with a complementary geographic hub, commercial discipline and a link across the Atlantic," said Charles Donald, an analyst with UBS Ltd. "KLM gives them that."

On Wednesday, Italian press agency Ansa reported that the alliance would not involve a swap of equity stakes. Analysts said that would cheer investors in KLM who might otherwise have been concerned that the plan could open the carrier to liabilities if Alitalia stumbles again.

Alitalia made a 144 billion lire ($85 million) profit in the first half, returning to the black for the first time since 1988.

2 New Europe-Wide Stock Indexes Set

Bloomberg News

FRANKFURT — Deutsche Boerse AG, which operates the Frankfurt stock exchange, said Wednesday that it would join the Paris Bourse, the Swiss Stock Exchange and Dow Jones & Co. in introducing two European indexes in February.

One of the indexes will cover 700 companies in 16 countries. The other will be limited to the 10 countries that are expected to take part initially in the European single currency and will track 350 companies. In both cases, there will be subindexes for 19 industries.

WORLD STOCK MARKETS

Wednesday, Dec. 17
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 914.76 — Previous: 904.72

	High	Low	Close	Prev.
ABN-AMRO	42.10	41.30	41.70	41.70
Aegon	178.70	175.60	178	176
Ahold	54.60	53.80	54.40	53.60
Akzo Nobel	343	340	340.80	342.30
Baan Co.	70.50	68.50	69.90	69.30
Bols Wess cva	30.90	30.10	30.70	30.20
CSM cva	85	84	85.60	85.40
Dordtsche Pet	111.90	110	110.90	110
DSM	183.80	182.50	183.50	182.30
Elsevier	33.30	32.90	33.30	33.10
Fortis Amev	87.10	85.60	86.80	85.30
Getronics	66.30	65.50	66.20	66
G-Broc cva	52	50.30	50.90	48.80
Hagemeyer	85.30	84.30	84.50	84
Heineken	351	346.60	351	347.50
Hoogovens cva	87.50	86.20	86.40	84.50
Hunt Douglas	75	72.50	72.90	74.50
ING Group	86.40	84.50	85.20	84.50
KLM	75.50	73.50	74.40	73
KNP BT	45.50	42.90	45.50	43.20
KPN	84.50	83.20	84.30	83.50
Nedlloyd Gp	45.40	44.50	45	44.50
Nutricia	61.50	60.40	61.30	61
Oce Grinten	222.90	220	220.90	219.60
Philips Elec	120.90	114.20	119.50	114
Polygram	101.50	100.20	100.20	101.50
Randstad Hdg	79.40	77	79.40	78.80
Robeco	189	187.20	189	188.60
Rodamco	57.10	56.60	56.90	57.10
Rolinco	175	174.70	174.70	174.30
Rorento	120	119.60	119.80	120.40
Royal Dutch	113.30	111.10	112.50	111.40
Unilever cva	126.30	124	124.50	124.50
Vendex Intl	108	105.70	107.50	107.50
VNU	52	50.50	51.70	51.20
Wolters Kl cva	266	261.50	265	262.80

Bangkok
SET index: 374.14 — Previous: 370.28

	High	Low	Close	Prev.
Adv Info Svc	222	210	222	206
Bangkok Bk F	122	117	122	115
Krung Thai Bk	11.25	10.50	10.75	11
PTT Explor	390	378	388	374
Siam Cement F	346	346	346	354
Siam Com Bk F	54	51.50	52	52
Telecomasia	11.75	10.50	10.75	11.25
Thai Airways	50.50	48.50	50	48.75
Thai Farm Bk F	102	99	100	96.50
Utd Comm	20.50	19	19.75	20.25

Bombay
Sensex 30 index: 3487.02 — Previous: 3424.87

	High	Low	Close	Prev.
Bajaj Auto	619	597	617.25	592.25
Hindust Lever	1324	1299	1317	1285.50
Hindust Petlm	459.75	448	459.75	446.25
Ind Dev Bk	84.50	82.50	83	83.25
ITC	593.50	562.25	593	559.50
Mahanagar Tel	251	239.75	241	245
Reliance Ind	159.25	155	157	155.50
State Bk India	225	220.50	223.50	220
Steel Authority	10	9.25	10	9.50
Tata Eng Loco	291	282	285	287

Brussels
BEL-20 index: 2495.79 — Previous: 2475.99

	High	Low	Close	Prev.
Almanij	1920	1850	1890	1890
Barco Ind	6730	6570	6570	6530
BBL	10025	9870	9910	9820
CBR	3485	3440	3465	3385
Colruyt	18450	18150	18175	18350
Delhaize Lion	1925	1910	1915	1920
Electrabel	8370	8300	8350	8330
Electrafina	3435	3370	3435	3385
Fortis AG	7690	7520	7660	7500
Gevaert	1790	1700	1700	1790
GBL	5450	5290	5290	5410
Gen Banque	16850	16350	16775	16175
Kredietbank	16100	15725	15800	16075
Petrofina	14275	14050	14200	14175
Powerfin	5220	5200	5220	5160
Royale Belge	10500	10000	10500	10075
Soc Gen Belg	3600	3535	3575	3550
Solvay	2345	2320	2340	2320
Tractebel	3155	3130	3155	3130
UCB	124400	122900	124400	122200

Copenhagen
Stock Index: 665.16 — Previous: 656.75

	High	Low	Close	Prev.
BG Bank	490	470	480	455.45
Carlsberg B	372	352	352	364
Codan Fors	960	980	980	975
Danisco	380	356	360	357
Den Danske Bk	960	891.73	930	887
D/S Svenborg B	435500	428000	428000	440000
D/S 1912 B	305900	290000	302302	305000
FLS Ind B	176	169	169	174.12
Kob Lufthavne	805	785	800	790
Novo Nordisk B	922.76	880	880	897.30
Sophus Ber B	1090	1070	1070	1070
Tele Danmk B	450	430	430	425.44
Tryg Baltica	456	435	455	440
Unidanmark A	546	510	520	510

Frankfurt
DAX: 4158.68 — Previous: 4083.97

	High	Low	Close	Prev.
AMB B	197	174	190.50	169
Adidas	245.50	244	245	246
Allianz	453.50	448.50	452.50	438.50
Altana	124.70	121.50	122.50	124.50
Axa Colonia	174.50	160	173	163
Bk Berlin	40.25	40	40	40
BASF	62.55	61.80	62.55	61.75
Bayer Hypo Bk	85	83.60	85	82.80
Bay.Vereinsbank	115.30	112.60	115.30	110.90
Bayer	63.40	62.40	63	62.15
Beiersdorf	73.80	73	73	73.50
Bewag	48.65	48.50	48.65	48.60
BMW	1318	1295	1295	1300
Commerzbank	70.10	69.50	70.10	69.70
Daimler Benz	127.40	125.20	126.60	123.90
Degussa	88.80	87.50	87.50	88
Deutsche Bank	124.80	123.55	124.75	123.75
Deut Telekom	33.75	32.90	33	32.60
Dresdner Bank	84	81.60	84	82.10
Fresenius	289	279	289	275
Fresenius Med	123.50	120	121	117.50
Fried. Krupp	326.50	324	325	327
Gehe	94.30	93.50	94.10	93.30
Heidelbg Zmt	138	134	137	131.50
Henkel pfd	110.40	109	110.30	105.50
HEW	466	466	466	466
Hochtief	71.50	70	70	72
Hoechst	63.90	62	62.10	62.90
Karstadt	613	605	613	609
Lahmeyer	74.95	74	74.95	75
Linde	1055	1035	1055	1025
Lufthansa R	34.40	33.90	34.40	33.75
MAN	510	502	510	506
Mannesmann	876	871	875	857.50
Metallgesellschaft	32.20	32	32.05	32.15
Metro	76.80	75.10	76.20	76.60
Munch Rueck R	662	657	662	653
Preussag	508	498	508	500
RWE	93.70	92.30	93.70	92.25
SAP	524	514	516	503
Schering	180	176.30	179	174.70
SGL Carbon	221.50	221	221.10	226
Siemens	102.75	101.60	102.40	100.30
Springer (Axel)	N.T.	N.T.	N.T.	1330
Suedzucker	915	910	915	900
Thyssen	390.50	385.50	390.50	384.50
Veba	117.50	115.10	117.50	114.50
VEW	620	600	612	600
Viag	983	970	981	957.50
Volkswagen	998	968	998	962.50

Helsinki
HEX General index: 3265.38 — Previous: 3198.63

	High	Low	Close	Prev.
Enso A	43.50	43	43	42
Huhtamaki I	222	221	222	222
Kemira	51.50	51	51.40	50.50
Kesko	85	84	84.30	84
Merita A	29.50	28.90	28.90	28.80
Metra B	125	122	123	123
Metso-Serla B	41.30	40.50	40.80	40.80
Neste	135	128	128.10	127
Nokia A	395	377	386	371
Orion-Yhtymae	139.50	136	[illegible]	138
Outokumpu	68	64.60	64.70	64.60
UPM-Kymmene	101	99.50	99.90	98.50
Valmet	74	72	74	70.50

Hong Kong
Hang Seng: 10692.70 — Previous: 10346.38

	High	Low	Close	Prev.
Amoy Props	6.65	6.55	6.65	6.50
Bk East Asia	18.20	17.80	17.95	17.50
Cathay Pacific	6.05	5.80	5.80	5.85
Cheung Kong	51	49.30	50.75	48.60
CK Infrastruct	21.80	20	21.65	19.60
China Light	42.40	41.30	42.10	40.50
Citic Pacific	31.50	30.40	31.10	30.20
Dao Heng Bk	19.60	19.20	19.60	19
First Pacific	4.25	4.08	4.10	4.13
Hang Lung Dev	10.70	10.25	10.70	10.40
Hang Seng Bk	74.50	72.75	73.50	71.75
Henderson Inv	6.35	6.20	6.25	6.10
Henderson Ld	37.80	36.50	37.40	36
HK China Gas	14.40	14	14.10	14.10
HK Electric	27.85	26.45	27.80	26.55
HK Telecomm	15.75	15.50	15.70	15.30
Hopewell Hdgs	2.03	1.97	1.98	1.96
HSBC Hdgs	195.50	188.50	194.50	186.50
Hutchison Wh	48.90	48	48.40	47.60
Hysan Dev	15.60	15.30	15.40	15.20
Johnson El Hdg	22.90	21.90	22	23
Kerry Props	13.60	13	13.15	13.50
New World Dev	26.70	25.40	26.30	25.15
Oriental Press	2.38	2.30	2.35	2.33
Pearl Oriental	0.43	0.40	0.42	0.41
SHK Props	56.75	54.50	56.50	53.50
Shun Tak Hdgs	2.43	2.28	2.30	2.43
Sino Land Co.	4.78	4.70	4.75	4.65
Sth China Post	5.50	5.25	5.25	5.60
Swire Pac A	41.70	40.50	40.60	40.70
Wharf Hdgs	15.95	15.50	15.95	15.55
Wheelock	8.90	8.70	8.85	8.45

Jakarta
Composite index: 368.69 — Previous: 356.39

	High	Low	Close	Prev.
Astra Intl	1600	1475	1525	1500
Bk Intl Indon	350	300	300	350
Bk Negara	550	500	500	500
Gudang Garm	7550	7200	7500	7200
Indocement	1425	1300	1425	1275
Indofood	1925	1775	1775	1825
Indosat	10400	9900	10150	9900
Sampoerna HM	3925	3575	3925	3525
Semen Gresik	2900	2750	2800	2600
Telekomunikasi	2725	2450	2500	2400

Johannesburg
All Market: 6170.03 — Previous: 6058.90

	High	Low	Close	Prev.
ABSA Group	29	28	27.85	27.85
AngloAm Coal	220	218.40	218	218
AngloAm Corp	198	195	194	194
AngloAm Gold	180	172	172	172
AngloAm Ind	125	119	118.60	118.60
AngloAm Plat	76	73.30	73.50	73.50
AVMIN	5.22	5.10	5.10	5.10
Barlow	44	42.80	42.25	42.25
C.G. Smith	20.20	19.70	19.55	19.55
De Beers	105.20	100.80	100.80	100.80
Driefontein	34	32.70	32.50	32.50
Fst Natl Bk	41	39.50	38.60	38.60
Gencor	7.80	7.55	7.60	7.60
GFSA	71	67	67	67
Imperial Hdgs	56	53.50	53	53
Ingwe Coal	17.10	16.45	16.40	16.40
Iscor	1.93	1.85	1.89	1.89
Johnnies Indl	51	50	49	49
Liberty Hdgs	329	327	321	321
Liberty Life	125.60	122.60	122	122
LibLife Strat	15.70	15.35	15.10	15.10
Minorco	86.50	85	84.50	84.50
Nampak	16.10	15.15	15.05	15.05
Nedcor	110	107.40	107.60	107.60
Rembrandt Gp	38.50	37	36.50	36.50
Richemont	55.20	53.80	53	53
SA Breweries	123.20	119.60	118	118
Samancor	23.90	23.60	23.75	23.75
Sasol	50.50	49	47.70	47.70
SBIC	216	209	208.60	208.60
Tiger Oats	70.20	68.70	68	68

Kuala Lumpur
Composite: 556.79 — Previous: 544.31

	High	Low	Close	Prev.
AMMB Hdgs	2.28	2.11	2.18	2.11
Genting	9.20	8.75	9.15	8.90
Mal Banking	9.90	9.55	9.85	9.60
Mal Intl Ship F	5.10	4.96	5	4.98
Petronas Gas	9.10	8.40	8.85	8.45
Proton	4.30	3.86	4.28	3.90
Public Bk	1.50	1.38	1.38	1.42
Renong	Susp	Susp.	Susp.	1.80
Resorts World	5.70	5.25	5.65	5.25
Rothmans PM	30.75	28.75	29	29.75
Sime Darby	3.64	3.38	3.52	3.36
Telekom Mal	9.75	9	9.60	9.05
Tenaga	7	6.50	6.85	6.40
Utd Engineers	Susp	Susp.	Susp.	3.24
YTL	4.52	4.30	4.50	4.20

London
FT-SE 100: 5190.80 — Previous: 5203.40

	High	Low	Close	Prev.
Abbey Natl	11.43	10.18	11.04	11.47
Allied Domecq	5.43	5.31	5.34	5.41
Anglian Water	8.50	8.30	8.34	8.49
Argos	5.75	5.65	5.69	5.68
Asda Group	1.74	1.67	1.70	1.74
Assoc Br Foods	5.45	5.33	5.40	5.44
BAA	5.02	4.90	4.96	4.95
Barclays	17.80	17	17.51	17.50
Bass	9.40	8.97	9.22	8.99
BAT Ind	5.73	5.58	5.67	5.64
Bank Scotland	6	5.55	5.84	5.72
Blue Circle	3.38	3.32	3.37	3.33
BOC Group	9.63	9.36	9.55	9.61
Boots	8.90	8.56	8.78	8.93
BPB Ind	3.41	3.35	3.36	3.40
Brit Aerosp	17.30	16.95	17.05	17.36
Brit Airways	5.85	5.68	5.72	5.74
BG	2.92	2.86	2.87	2.93
Brit Land	6.94	6.78	6.91	6.77
Brit Petm	8.27	8.16	8.23	8.16
BSkyB	4.54	4.38	4.46	4.38
Brit Steel	1.40	1.36	1.38	1.38
Brit Telecom	4.86	4.60	4.82	4.80
BTR	1.85	1.76	1.82	1.79
Burmah Castrol	10.65	10.30	10.40	10.30
Burton Gp	1.44	1.42	1.43	1.43
Cable Wireless	5.40	5.25	5.40	5.41
Cadbury Schw	6.37	6.31	6.34	6.37
Carlton Comm	4.49	4.42	4.48	4.48
Coml Union	9.12	8.82	8.98	9.06
Compass Gp	7.71	7.63	7.68	7.63
Courtaulds	3.10	3.03	3.07	3.06
Dixons	6.04	5.97	5.99	5.98
Electrocomponents	4.54	4.50	4.52	4.52
EMI Group	4.68	4.42	4.51	4.57
Energy Group	6.53	6.40	6.45	6.45
Enterprise Oil	5.99	5.79	5.85	5.88
Fom Colonial	1.75	1.72	1.73	1.73
Genl Accident	11.05	10.75	10.93	10.95
GEC	4.03	3.91	4.02	3.95
GKN	12.80	12.43	12.53	12.82
Glaxo Wellcome	14.65	14.38	14.50	14.49
Granada Gp	9.08	8.87	9	8.86
GRE	3.40	3.16	3.32	3.34
Greenalls Gp	4.25	4.20	4.20	4.21
Guinness	5.98	5.88	5.89	5.93
GUS	7.55	7.47	7.52	7.52
Hays	8.43	8.08	8.16	8.05
HSBC Hdgs	15.60	15.25	15.37	15.03
ICI	[illegible]	9.27	9.53	9.50
Impl Tobacco	[illegible]	3.98	4	3.98
Kingfisher	8.60	8.30	8.45	8.52
Ladbroke	2.78	2.70	2.73	2.75
Land Sec	10.17	9.98	10.01	10.06
Lasmo	2.74	2.71	2.73	2.85
Legal Genl Grp	5.39	5.23	5.32	5.30
Lloyds TSB Gp	7.95	7.63	7.84	7.78
LucasVarity	2.05	1.98	1.98	2.01
Marks Spencer	6.20	6	6.01	6.20
MEPC	5.32	5.22	5.23	5.30
Mercury Asset	16.82	16.74	16.82	16.73
National Grid	2.91	2.81	2.84	2.90
Natl Power	6.03	5.85	5.99	5.99
NatWest	10.78	10.35	10.61	10.31
Next	6.95	6.80	6.91	6.85
Norwich Union	4.06	3.82	4	3.90
Orange	2.70	2.53	2.62	2.53
P&O	6.95	6.75	6.77	6.95
Pearson	8.31	8.10	8.24	8.32
Pilkington	1.24	1.22	1.23	1.23
PowerGen	8.48	8.06	8.20	8.13
Premier Farnell	4.17	4.11	4.15	4.11
Prudential	7.60	7.30	7.40	7.43
Railtrack Gp	9.78	9.35	9.66	9.50
Rank Group	3.45	3.35	3.40	3.36
Reckitt Colm	9.70	9.35	9.51	9.52
Redland	3.44	3.42	3.42	3.43
Reed Intl	6.30	6.18	6.19	6.25
Rentokil Initial	2.62	2.52	2.56	2.55
Reuters Hdgs	6.70	6.51	6.56	6.69
Rexam	2.88	2.67	2.87	2.80
RTZ reg	7.45	7.18	7.32	7.02
RMC Group	9.15	8.96	8.98	9.05
Rolls Royce	2.39	2.33	2.35	2.36
Royal Bk Scot	7.80	7.61	7.69	7.62
Royal & Sun All	6.48	6.15	6.17	6.29
Safeway	3.38	3.29	3.34	3.37
Sainsbury	5.15	5.09	5.10	5.16
Schroders	19.50	19	19.25	19.40
Scot Newcastle	7.62	7.33	7.57	7.38
Scot Power	5.37	5.20	5.24	5.32
Securicor	2.91	2.83	2.83	2.93
Severn Trent	10.20	10	10.10	10.15
Shell Transp R	4.66	4.54	4.58	4.55
Siebe	12.25	11.72	12.03	12
Smith Nephew	1.81	1.78	1.80	1.78
SmithKline	6.57	6.37	6.48	6.50
Smiths Ind	8.72	8.49	8.55	8.67
Sthern Elec	5.05	4.90	4.99	5.02
Stagecoach	8.14	8.02	8.14	8.06
Stand Charter	7.25	6.85	6.92	6.86
Tate & Lyle	4.93	4.87	4.93	4.89
Tesco	5.07	4.83	4.87	5.04
Thames Water	9.38	9.12	9.21	9.31
3i Group	5.16	5.06	5.11	5.09
TI Group	5.12	4.95	5.07	5.09
Tomkins	2.99	2.88	2.98	2.90
Unilever	5.29	5.10	5.16	5.07
Utd Assurance	5.30	5.20	5.28	5.23
Utd News	7.16	7	7.04	7.10
Utd Utilities	7.95	7.63	7.85	7.77
Vendome Lx uts	4.65	4.65	4.65	4.65
Vodafone	4.39	4.28	4.34	4.33
Whitbread	9	8.75	8.91	8.73
Williams Hdgs	3.50	3.22	3.40	3.28
Wolseley	5.40	4.99	5.08	5.10
WPP Group	2.67	2.63	2.67	2.62
Zeneca	21.73	20.05	20.74	20.28

Madrid
Bolsa index: 629.93 — Previous: 630.64

	High	Low	Close	Prev.
Acerinox	22810	22100	22100	21910
ACESA	2075	2040	2040	2060
Aguas Barcelon	6310	6260	6290	6300
Argentaria	9670	9540	9600	9620
BBV	4705	4670	4690	4680
Banesto	1545	1520	1530	1535
Bankinter	8480	8270	8400	8220
Bco Centro Hisp	3480	3395	3440	3365
Bco Popular	11100	10730	10810	10970
Bco Santander	4700	4630	4670	4670
CEPSA	4780	4710	4770	4730
Continente	2710	2660	2690	2700
Corp Mapfre	7920	7760	7890	7850
Endesa	2925	2890	2905	2915
FECSA	1330	1270	1270	1290
Gas Natural	7960	7820	7850	7860
Iberdrola	1995	1955	1960	1985
Pryca	2240	2180	2190	2230
Repsol	6490	6390	6400	6470
Sevillana Elec	1440	1415	1435	1415
Tabacalera	12150	11950	12140	12020
Telefonica	4640	4575	4625	4610
Union Fenosa	1475	1460	1475	1480
Valenc Cement	2925	2900	2925	2915

Manila
PSE index: 1794.90 — Previous: 1801.28

	High	Low	Close	Prev.
Ayala	14.75	14.25	14.25	14.75
Ayala Land	14.25	13.50	13.50	13.75
Bk Philip Isl	87.50	85.50	86.50	85.50
C&P Homes	2.40	2.34	2.34	2.48
Manila Elec A	78	77	77.50	76
Metro Bank	275	267.50	270	270
Petron	3.55	3.45	3.50	3.50
PCIBank	124	119	119	123
Phil Long Dist	850	840	845	840
San Miguel B	50	49.50	50	50
SM Prime Hdg	5.80	5.60	5.70	5.50

Mexico
Bolsa index: 5131.57 — Previous: 5087.31

	High	Low	Close	Prev.
Alfa A	55.80	53.90	55.20	54.00
Banacci B	23.60	22.80	23.10	22.70
Cemex CPO	36.60	36.10	36.40	36.40
Cifra C	18.02	17.48	17.66	17.94
Emp Moderna	44.60	42.00	44.60	43.00
Gpo Carso A1	57.20	56.20	56.30	56.30
Gpo F Bcomer	3.23	3.16	3.22	3.14
Gpo Fin Inbursa	32.50	32.20	32.30	32.05
Kimb Clark Mex	37.20	36.00	36.35	37.00
Televisa CPO	158.10	156.00	157.10	156.20
TelMex L	21.65	21.15	21.60	21.20

Milan
MIB Telematico: 16175.00 — Previous: 16161.00

	High	Low	Close	Prev.
Alleanza Assic	17300	16740	17180	16645
Bca Comm Ital	5660	5500	5550	5620
Bca Fideuram	7700	7595	7595	7708
Bca di Roma	1565	1536	1541	1543
Benetton	28400	27800	27800	28300
Credito Italiano	5335	5225	5285	5310
Edison	10300	10110	10115	10300
ENI	10275	10040	10045	10155
Fiat	5230	5150	5150	5130
Generali Assic	43900	41350	41900	42550
IMI	21100	20450	20650	20600
INA	3300	3185	3265	3195
Italgas	6980	6765	6820	6800
Mediaset	8675	8480	8480	8595
Mediobanca	13920	13480	13485	13760
Montedison	1534	1512	1526	1520
Olivetti	1018	1007	1011	1002
Parmalat	2510	2410	2445	2450
Pirelli	4590	4505	4510	4500
RAS	16540	16255	16400	16380
Rolo Banca	25200	24700	25000	25000
S Paolo Torino	17910	17205	17585	17600
Telecom Italia	11130	10975	10990	10975
TIM	7600	7405	7560	7375

Montreal
Industrials index: 3270.98 — Previous: 3263.10

	High	Low	Close	Prev.
Bce Mob Com	37.25	37	37	37.05
Cdn Tire A	30.15	29.80	30.15	29¾
Cdn Util A	40¾	40.45	40¾	40.60
CT Finl Svc	53¼	53¼	53¼	53¼
Gaz Metro	18	17.80	17.80	17.95
Gt-West Lifeco	37	36.85	37	36.80
Imasco	51⅛	51.10	51¼	51
Investors Grp	44.30	44.30	44.30	43¾
Loblaw Cos	26	26	26	26
Natl Bk Canada	24¼	23.70	23.90	24.20
Power Corp	50.15	49.30	49.90	50
Power Finl	49.45	48½	48.90	49½
Quebecor B	27.10	26.65	26¾	27
Rogers Comm B	7.05	6.90	6.90	6.90
Royal Bk Cda	78.15	77.30	77.55	77.90

Oslo
OBX index: 670.94 — Previous: 671.61

	High	Low	Close	Prev.
Aker A	129	124	125	129
Bergesen Dy A	177	171	173	173
Christiania Bk	30.20	29.20	29.90	29
Den norske Bk	36.10	35.50	35.60	35
Elkem	92	88	90	91
Hafslund A	45.20	44.50	45	45
Kvaerner	375	367	368	370
Norsk Hydro	374	358	358	372
Norske Skog A	210	203	204	209
Nycomed Amer	187	182	182	182
Orkla A	635	626	626	631
Petlm GeoSvc	460	450	458	444
Saga Petm A	122	114	117	116
Schibsted	128	125	126	125
Transocean Off	330	325	330	320
Storebrand	51	50	50.50	50

Paris
CAC-40: 2893.25 — Previous: 2912.18

	High	Low	Close	Prev.
Accor	1129	1111	1129	1119
AGF	323.90	316.80	317.10	326.10
Air Liquide	927	897	905	930
Alcatel Alsth	755	738	739	749
Axa-UAP	471	464.20	466.50	470.50
Bancaire	1020	990	1004	1006
BIC	409.50	395.20	395.20	402
BNP	328	317.50	323.50	329.40
Canal Plus	1034	1015	1015	1016
Carrefour	3015	2951	2954	2995
Casino	327	323.10	323.90	325
CCF	434.80	415.20	418	438.50
Cetelem	866	842	854	853
Christian Dior	590	571	576	586
Credit Agricole	1221	1201	1221	1236
Danone	1128	1099	1100	1100
Dexia Fran	691	675	681	684
Elf-Aquitaine	676	655	665	654
Eridania BS	977	950	974	962
Eurodisney	7.20	7	7.10	7
Eurotunnel	5.75	5.60	5.70	5.75
France Telecom	216.90	213.20	214	217.50
Gen. Eaux	802	783	789	788
Havas	434.40	420.50	430.30	417.50
Imetal	768	715	752	719
Lafarge	383	372.50	377	375
Legrand	1179	1141	1155	1180
L'Oreal	2250	2210	2238	2240
LVMH	976	943	945	958
Michelin B	297.40	288.60	289	290
Paribas A	516	500	500	510
Pernod Ricard	329.80	323.50	326	328.40
Peugeot Cit	689	674	681	685
Pinault-Print	3022	2951	2978	3006
Promodes	2343	2252	2252	2314
Renault	174	167.10	168.30	171.10
Rexel	1720	1700	1709	1720
Rh-Poulenc A	265	257.20	259	265
Sanofi	621	601	615	617
Schneider	318.50	303.10	305	317
SEB	797	790	795	799
SGS Thomson	342.40	331	336	344.70
Ste Generale	860	843	843	860
Sodexho	3145	3062	3081	3265
St Gobain	850	829	847	826
Suez (Cie)	15.85	15.85	15.85	15.75
Suez Lyon Eaux	669	658	660	662
Synthelabo	730	715	727	735
Thomson CSF	187.90	183.20	185	185
Total B	636	616	626	616
Usinor	85.90	80.50	82.40	85
Valeo	390.50	384.30	387.90	382.90

São Paulo
Bovespa index: 9868.55 — Previous: 9742.76

	High	Low	Close	Prev.
Bradesco Pfd	9.40	9.20	9.30	9.35
Brahma Pfd	745.00	720.00	745.00	720.00
Cemig Pfd	49.00	47.00	47.50	48.50
CESP Pfd	63.50	60.50	61.00	61.50
Copel	12.40	12.50	12.50	12.50
Eletrobras	58.00	54.00	58.00	55.55
Itaubanco Pfd	555.00	544.00	550.00	540.80
Light Servicios	425.00	411.00	415.00	415.00
Lightpar	290.00	270.80	282.00	285.00
Petrobras Pfd	257.00	247.00	250.00	253.00
Paulista Luz	142.00	140.00	141.50	141.50
Sid Nacional	32.00	30.50	30.50	31.50
Souza Cruz	9.00	8.98	9.00	8.50
Telebras Pfd	124.10	121.80	123.70	121.50
Telemig	125.00	120.00	122.50	119.00
Telerj	103.00	95.00	96.00	101.43
Telesp Pfd	293.00	283.00	288.00	282.00
Unibanco	44.00	42.00	44.00	42.00
Usiminas Pfd	6.10	5.87	5.90	5.95
CVRD Pfd	20.90	20.30	20.60	20.65

Seoul
Composite index: 418.49 — Previous: 404.26

	High	Low	Close	Prev.
Dacom	68000	60700	68000	63000
Daewoo Heavy	5770	5200	5750	5350
Hyundai Eng.	12800	11500	12600	11900
Kia Motors	6290	6290	6290	5830
Korea El Pwr	16600	15600	16400	16200
Korea Exch Bk	4300	4100	4300	3990
LG Semicon	18400	16600	18300	17100
Pohang Iron St	53500	51500	52800	53000
Samsung Display	36500	34000	35700	35000
Samsung Elec	46900	44600	45200	46000
Shinhan Bank	8300	7400	8110	7770
SK Telecom	489500	417500	475000	453500

Singapore
Straits Times: 1569.51 — Previous: 1561.75

	High	Low	Close	Prev.
Asia Pac Brew	4.32	4.30	4.32	4.20
Cerebos Pac	4.32	3.90	4.32	4.16
City Devts	7.40	7.05	7.40	7.15
Cycle Carriage	7.05	6.95	7	6.95
Dairy Farm Intl *	0.91	0.88	0.91	0.88
DBS foreign	14.50	13.50	14.50	13.80
DBS Land	2.70	2.59	2.70	2.60
Fraser & Neave	7.05	6.80	6.80	6.75
HK Land *	1.85	1.78	1.83	1.75
Jard Matheson *	4.44	4.24	4.40	4.22
Jard Strategic *	2.28	2.20	2.20	2.25
Keppel A	5.10	4.94	5.05	4.94
Keppel Bank	2.73	2.45	2.46	2.72
Keppel Fels	4.30	4.26	4.26	4.32
Keppel Land	2.64	2.53	2.57	2.62
OCBC foreign	9.75	9.15	9.70	9.10
OS Union Bk F	6.25	6	6.25	5.90
Parkway Hdgs	3.84	3.80	3.86	3.80
Sembawang	4.70	4.40	4.62	4.56
Sing Air foreign	10.90	10.50	10.90	10.50
Sing Land	4.08	3.92	4	4
Sing Press F	22.90	22	22.10	22
Sing Tech Ind	1.67	1.62	1.66	1.67
Sing Telecomm	2.97	2.89	2.94	2.95
Tat Lee Bank	2.60	2.50	2.50	2.60
Utd Industrial	0.69	0.64	0.65	0.63
Utd O'Sea Bk F	9.60	9	9.60	9.20
Wing Tai Hdgs	2.01	1.97	1.97	1.94

*: in U.S. dollars.

Stockholm
SX 16 index: 3251.56 — Previous: 3213.20

	High	Low	Close	Prev.
AGA B	102.50	99.50	101	98.50
ABB A	94.50	91.50	92.50	92.50
AssiDoman	202.50	192.50	195.50	200
Astra A	140.50	137.50	138.50	136.50
Atlas Copco A	230	225	225	225
Autoliv	285	280	282	278
Electrolux B	589	568	571	567
Ericsson B	302.50	295.50	299.50	288
Forenings Spar	197	191	191	197
Hennes B	355	341	342	366
Incentive A	702	688	690	684
Investor B	382	373	375	374
MoDo B	214	209	211	207
Pharm/Upjohn	282	278.50	281	279.50
Sandvik B	230	224	224	227
Scania B	187	183.50	183.50	182
SCA B	178	173	176.50	171
S-E Banken A	106.50	103	103.50	104
Skandia Fors	420	403	408	414
Skanska B	321.50	316	320.50	315
SKF B	168	164	165.50	164.50
Stora A	99	96.50	96.50	97
Sv Handels A	301	295	295	298.50
Volvo B	215.50	210	210.50	212

Sydney
All Ordinaries: 2562.10 — Previous: 2514.10

	High	Low	Close	Prev.
Amcor	6.50	6.35	6.43	6.35
ANZ Bking	10	9.77	9.98	9.92
BHP	13.75	13.02	13.66	12.94
Boral	3.79	3.65	3.73	3.80
Brambles Ind.	30.30	29.06	30.29	29.22
CBA	17.25	17	17.25	16.99
CC Amatil	11.45	11.06	11.31	11.06
Coles Myer	7.64	7.48	7.62	7.54
Comalco	6.36	6.15	6.35	6.15
CSR	5.29	5.09	5.29	5.08
Fosters Brew	2.87	2.77	2.87	2.76
Goodman Fld	2.38	2.22	2.37	2.22
ICI Australia	11.01	10.82	10.90	10.85
Lend Lease	31	30.10	30.50	30.10
MIM Hdgs	1.02	0.96	1.02	0.94
Nat Aust Bank	21.60	20.99	21.47	20.96
Nat Mutual Hdg	2.75	2.65	2.73	2.68
News Corp	8.26	8.17	8.20	8.12
Pacific Dunlop	3.28	3.08	3.28	3.07
Pioneer Intl	3.95	3.80	3.88	3.80
Pub Broadcast	6.80	6.67	6.75	6.67
Rio Tinto	17	16.73	17	16.66
St George Bank	8.54	8.39	8.40	8.43
WMC	5.09	4.74	5.09	4.66
Westpac Bking	9.49	9.35	9.50	9.42
Woodside Pet	11.15	10.55	11.15	10.50
Woolworths	4.90	4.74	4.90	4.75

Taipei
Stock Market index: 8347.20 — Previous: 8193.45

	High	Low	Close	Prev.
Cathay Life Ins	150	145	150	144
Chang Hwa Bk	96	92	96	92
Chiao Tung Bk	69	67.50	69	67.50
China Developmt	92	90	92	90
China Steel	24.80	24.50	24.70	24.50
First Bank	95	91	95	91.50
Formosa Plastic	66.50	64.90	66	65.50
Hua Nan Bk	99.50	95	99.50	95.50
Intl Comm Bk	56	54.50	56	54.50
Nan Ya Plastics	58	56.50	57.50	56.50
Shin Kong Life	108	102	108	101
Taiwan Semi	120	118	118.50	118
Tatung	37.30	36.80	36.90	36.70
Utd Micro Elec	68.50	67	67.50	67
Utd World Chin	59	58	59	58

Tokyo
Nikkei 225: 16541.86 — Previous: 15985.21

	High	Low	Close	Prev.
Ajinomoto	1330	1240	1290	1220
All Nippon Air	544	505	527	506
Amway	2350	2240	2300	2240
Asahi Bank	545	486	526	497
Asahi Chem	498	437	489	446
Asahi Glass	755	702	715	727
Bk Tokyo Mitsu	1910	1840	1900	1840
Bk Yokohama	332	316	319	332
Bridgestone	3020	2860	2940	2960
Canon	3340	2950	3080	2950
Chubu Elec	2030	2010	2030	2030
Chugoku Elec	1890	1860	1880	1860
Dai Nipp Print	2590	2520	2550	2520
Daiei	634	573	598	593
Dai-Ichi Kang	1000	943	997	955
Daiwa Bank	325	295	308	310
Daiwa House	883	745	859	805
Daiwa Sec	485	452	482	456
DDI	3000a	2820a	3000a	2900a
Denso	2680	2400	2490	2520
East Japan Ry	5980a	5900a	5940a	5980a
Eisai	1900	1820	1900	1810
Fanuc	4980	4830	4930	4930
Fuji Bank	676	580	632	597
Fuji Photo	5500	5170	5330	5180
Fujitsu	1460	1380	1420	1390
Hachijuni Bk	1040	1010	1020	1010
Hitachi	976	935	962	951
Honda Motor	4720	4590	4680	4630
IBJ	1140	1070	1120	1130
IHI	250	230	245	235
Itochu	253	238	249	245
Ito-Yokado	6690	6010	6500	6030
JAL	361	348	357	360
Japan Tobacco	9620a	8900a	9090a	9720a
Jusco	1910	1770	1790	1830
Kajima	365	298	342	328
Kansai Elec	2220	2190	2210	2190
Kao	1850	1800	1850	1840
Kawasaki Hvy	255	230	245	234
Kawa Steel	190	168	181	165
Kinki Nipp Ry	691	677	687	680
Kirin Brewery	1010	970	999	1000
Kobe Steel	105	99	102	103
Komatsu	715	650	690	650
Kubota	420	390	415	398
Kyocera	6040	5710	5950	5690
Kyushu Elec	1890	1860	1880	1870
LTCB	251	233	239	241
Marubeni	257	228	230	235
Marui	2150	1998	2130	2020
Matsu Comm	3420	3260	3310	3270
Matsu Elec Ind	1890	1790	1840	1800
Matsu Elec Wk	1060	1020	1060	1030
Mitsubishi	1050	1020	1040	1020
Mitsubishi Ch	193	180	190	180
Mitsubishi El	360	320	344	334
Mitsubishi Est	1640	1510	1610	1540
Mitsubishi Hvy	527	502	521	500
Mitsubishi Mat	428	417	422	417
Mitsubishi Tr	1630	1540	1590	1580
Mitsui	900	845	871	855
Mitsui Fudosn	1400	1270	1370	1320
Mitsui Trust	257	225	250	240
Murata Mfg	3630	3400	3590	3500
NEC	1400	1330	1380	1340
Nikon	1440	1310	1370	1330
Nikko Sec	440	396	421	395
Nintendo	12600	12100	12500	12700
Nipp Express	657	608	654	617
Nippon Oil	400	363	398	369
Nippon Steel	209	190	204	188
Nissan Motor	571	527	553	523
NKK	124	111	122	115
Nomura Sec	1760	1700	1750	1700
NTT	11300b	10800b	11300b	11000b
NTT Data	6970b	6710b	6910b	6700b
Oji Paper	575	521	548	528
Osaka Gas	295	275	291	273
Ricoh	1680	1570	1640	1600
Rohm	13000	12500	13000	12200
Sakura Bk	500	468	498	470
Sankyo	3000	2820	2890	2900
Sanwa Bank	1560	1450	1540	1480
Sanyo Elec	395	364	382	364
Secom	8190	8060	8150	8050
Seibu Rwy	6000	5750	5990	5740
Sekisui Chem	800	713	784	750
Sekisui House	861	804	856	821
Seven-Eleven	9410	9000	9390	9040
Sharp	847	795	820	813
Shikoku El Pwr	1890	1870	1890	1880
Shimizu	358	290	330	325
Shin-etsu Ch	2790	2630	2660	2670
Shiseido	1910	1830	1910	1840
Shizuoka Bk	1310	1270	1310	1260
Softbank	2480	2300	2400	2320
Sony	12000	11200	11800	10900
Sumitomo	854	810	850	835
Sumitomo Bk	1580	1510	1550	1540
Sumit Chem	334	300	330	314
Sumitomo Elec	1810	1760	1800	1780
Sumit Metal	232	207	230	209
Sumit Trust	794	720	760	750
Taisho Pharm	3430	3240	3360	3210
Takeda Chem	3750	3610	3730	3650
TDK	10200	9610	9850	9480
Tohoku El Pwr	1940	1900	1930	1920
Tokai Bank	690	638	683	648
Tokio Marine	1370	1240	1290	1240
Tokyo El Pwr	2380	2350	2370	2380
Tokyo Electron	5060	4720	4870	4750
Tokyo Gas	310	298	304	300
Tokyu Corp.	565	514	540	515
Tonen	915	852	915	870
Toppan Print	1790	1710	1760	1730
Toray Ind	600	547	560	550
Toshiba	579	533	544	539
Tostem	1250	1150	1220	1200
Toyo Trust	824	800	805	803
Toyota Motor	3660	3560	3630	3640
Yamanouchi	3120	3020	3120	3020

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6427.58 — Previous: 6367.43

	High	Low	Close	Prev.
Abitibi Cons.	18.15	17.70	18.15	18.10
Alberta Energy	27	26¼	27	26.20
Alcan Alum	39.85	38.35	39½	38.15
Anderson Expl	13.60	13.20	13½	13.20
Bk Montreal	64.90	63.90	64	65
Bk Nova Scotia	66.95	65.65	65¾	66.40
Barrick Gold	26¼	25½	26.15	24.40
BCE	45.65	44.95	45.35	45.30
BC Telecomm	45	44	44.80	44
Biochem Pharm	N.T.	N.T.	N.T.	37.45
Bombardier B	29.80	29½	29.80	29.70
Cameco	42½	40.70	40.70	41.55
CIBC	46.40	45.35	46.05	46.10
Cdn Natl Rail	68.30	67.10	68.30	67.70
Cdn Nat Res	30¼	28.90	30.30	29.45
Cdn Occid Pet	31.90	31.15	31.90	31.35
Cdn Pacific	38.20	37.35	38.15	37.15
Cominco	21	19.60	20.95	19.70
Dofasco	22½	21¼	22.45	21.85
Domtar	10.15	10	10	10.05
Donohue A	23.70	23.10	23.40	23.00
Du Pont Cda A	35¼	34.10	35¼	34.10
EdperBrascan	26	25.60	25.60	26
EuroNev Mng	17.85	16.45	17.35	15.80
Fairfax Finl	312	310	312	[illegible]
Falconbridge	18	17¼	17.90	17½
Fletcher Chall A	19.40	18.60	19.40	19¼
Franco Nevada	29.95	29	29.90	28½
Gulf Cda Res	10.30	10	10.05	10.05
Imperial Oil	88.90	88.05	88.80	87
Inco	26	25	25¼	24¾
IPL Energy	62.95	62.40	62½	62.45
Laidlaw B	19.30	18¾	19.20	18.85
Loewen Group	34	33.70	33.80	33.95
Macmill Bldl	15.35	14.65	15.20	14.90
Magna Intl A	93.85	93¼	93½	93.45
Methanex	11.70	11½	11.70	11.60
Moore	21.80	21½	21.60	21.80
Newbridge Net	52.90	50¾	50.85	50.90
Noranda Inc	24½	23.90	24.35	23.60
Norcen Energy	16	15¾	16	16
Nthern Telecom	130	127½	128¼	128
Nova	13.65	13.40	13.55	13.60
Onex	28	27¼	27½	27½
Pancdn Petlm	23¼	22¾	23	23¼
Petro Cda	25.20	24.65	25.20	24.90
Placer Dome	17½	16.60	17½	16
Poco Petlm	11.40	10½	11¼	10.65
Potash Sask	115.80	115	115.40	115.65
Renaissance	29⅛	28¾	29½	29.10
Rio Algom	25	24¼	24½	24½
Rogers Cantel B	13.55	13.30	13.30	13.55
Seagram Co	44¼	44.10	44.40	44.65
Shell Cda A	27¼	25.95	26.80	26.80
Suncor	49.80	48.20	49.55	48.20
Talisman Eny	42.90	42½	42.70	42.60
Teck B	20	18.60	19.85	18¾
Teleglobe	46¼	45.90	46.05	45.75
Telus	33.90	33.55	33.90	33.65
Thomson	38	36½	37.90	37.70
TorDom Bank	54.15	53.55	53.90	54.20
Transalta	21.70	21.40	21.65	21.55
TransCda Pipe	31	30.85	31	30.85
Trimark Finl	65.95	65	65½	65¼
Trizec Hahn	33.80	33¼	33.70	33.15
TVX Gold	4.10	3.96	4.10	3¾
Westcoast Eny	33.05	32.90	33	33
Weston	120	118	119.60	120¼

Vienna
ATX index: 1265.17 — Previous: 1260.12

	High	Low	Close	Prev.
Boehler-Uddeh	760	742.50	753	750
Creditanst Pfd	695	681	690	690
EA-Generali	3260	3210	3240	3225
EVN	1630	1603	1608	[illegible]
Flughafen Wien	509.80	504	507	507.50
OMV	1715	1682	1697	1675
Oest Elektriz	1043	1015.10	1025	1017
VA Stahl	484.90	470.50	479.10	475
VA Tech	2008	1917	1923.90	1914
Wienerberg Bau	2433.10	2410	2422	2410

Wellington
NZSE-40 index: 2297.76 — Previous: 2332.36

	High	Low	Close	Prev.
Air N Zeald B	3.48	3.45	3.45	3.50
Brierly Invt	1.17	1.15	1.16	1.16
Carter Holt	2.52	2.45	2.52	2.47
Fletch Ch Bldg	4.25	4.05	4.05	4.24
Fletch Ch Eny	6.14	6.10	6.10	6.14
Fletch Ch Forst	1.39	1.36	1.38	1.36
Fletch Ch Paper	2.15	2.10	2.15	2.18
Lion Nathan	4.00	3.92	3.92	4.02
Telecom NZ	8.75	8.40	8.45	8.79
Wilson Horton	10.10	10.10	10.10	10.09

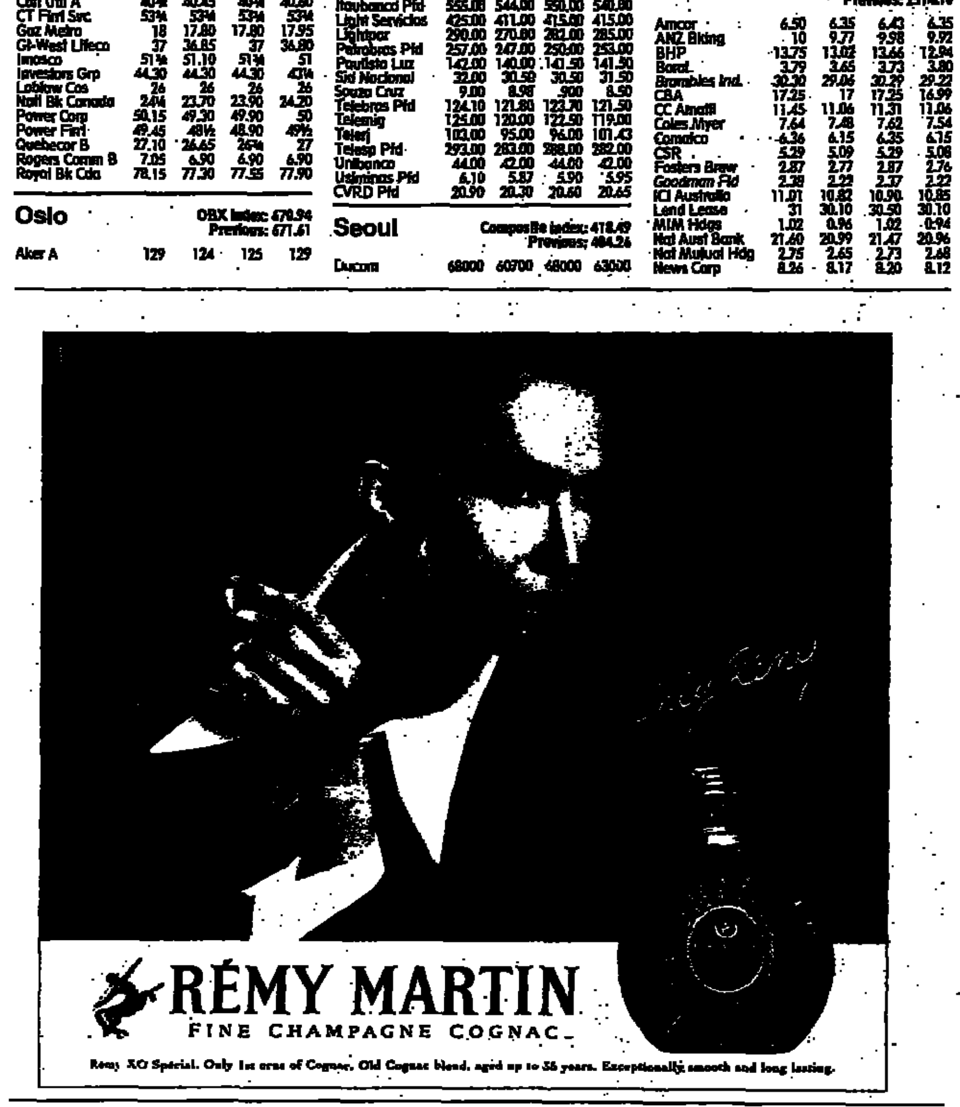
Zurich
SPI index: 3808.65 — Previous: 3789.10

	High	Low	Close	Prev.
ABB B	1845	1795	1795	1793
Adecco B	389	374	386.50	371
Alusuisse R	1422	1402	1403	1406
Ares-Serono B	2480	2370	2465	2330
Atel R	800	800	800	800
Baer Hdg B	2640	2620	2635	2624
Baloise Hdg R	2919	2865	2890	2880
BK Vision	1492	1470	1492	1480
Ciba Spec Chem	176.25	172.75	174.50	173.50
Clariant R	1206	1190	1190	1186
Crd Suisse Gp R	238.75	234.75	236	236
Elektrowatt B	551	549	551	550
Ems-Chemie	7185	7125	7175	7145
ESEC Hdg	3710	3555	3710	3600
Holderbank B	1194	1150	1158	1178
Liechtenst LB B	565	562	562	565
Nestle R	2164	2125	2154	2117
Novartis R	2331	2286	2289	2304
Oerlikon Bueh R	197.50	195	196	197
Pargesa Hld B	1800	1780	1800	1790
PharmVtsn B	869	860	867	865
Richemont A	1655	1610	1635	1615
Pirelli PC	301	296.50	301	301
Roche Hdg PC	13530	13370	13500	13380
SBC R	456	451	453	452
Schindler PC	1620	1590	1590	1600
SGS B	2815	2750	2815	2775
SMH B	838	825	832	827
Sulzer R	910	885	900	870
Swiss Reins R	2625	2564	2568	2607
SAir Group R	1889	1843	1854	1876
UBS B	2127	2101	2117	2109
Winterthur R	1760	1700	1760	1750
Zurich Assur R	674	637	674	637

The Trib Index
Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	174.20	+2.02	+1.17	+16.80
Regional Indexes				
Asia/Pacific	100.44	+4.81	+5.03	—18.63
Europe	193.98	+1.99	+1.04	+20.33
N. America	218.70	—0.27	—0.12	+35.03
S. America	148.65	+1.36	+0.92	+29.90
Industrial Indexes				
Capital goods	210.94	+0.57	+0.27	+23.41
Consumer goods	209.99	+1.94	+0.93	+30.08
Energy	198.26	+0.85	+0.43	+16.14
Finance	126.98	+2.97	+2.39	+9.03
Miscellaneous	150.25	+3.46	+2.36	—7.12
Raw Materials	167.12	+1.02	+0.61	—4.71
Service	173.20	+2.12	+1.24	+26.13
Utilities	168.19	+1.88	+1.13	+17.24

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.



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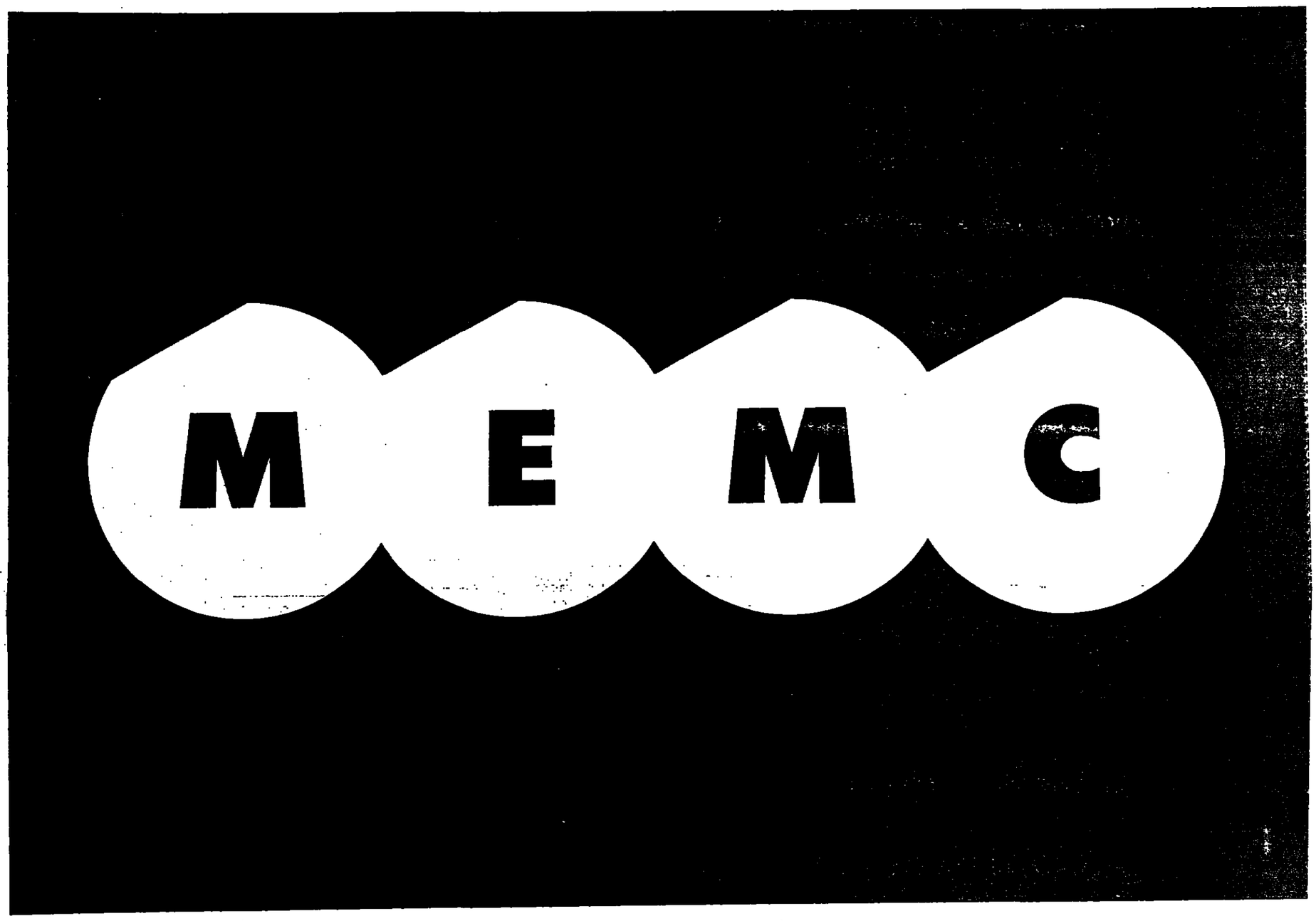
Nice to meet you!



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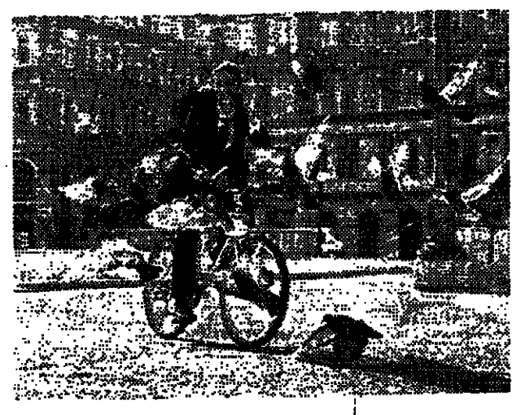

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Herald International Tribune
SPORTS

WORLD ROUNDUP

Milutinovic to Lead Nigeria in World Cup

SOCCER Bora Milutinovic was hired Wednesday as Nigeria's coach for the World Cup.

The military government had given its approval to the choice, said the Football Association spokesman, Sani Zaria. Milutinovic will be Nigeria's fourth coach in 20 months. The Olympic champion has been without a manager since Philippe Troussier left in August.

Milutinovic was dismissed as coach of Mexico in November, less than a month after helping his team clinch a World Cup berth. He coached Mexico to the quarterfinals in 1986, Costa Rica to the second round in 1990 and the United States to the second round in 1994. *(AP)*

Mosley Warns French

FORMULA ONE Max Mosley, the president of the International Automobile Association, told Marie-George Buffet, the French sports minister, that it would be "virtually impossible" to stage a Grand Prix in France next year even if a dispute *over television rights was resolved.*

The dispute has arisen because of a French law under which every TV channel is allowed some access to big sports events. FIA want to protect its exclusive control of coverage from races.

The FIA has already issued its schedule for 1998. There is a five-week gap between the Canadian Grand Prix on June 7 and the British GP on July 12, normally the time when the French GP is held. Coincidentally, next year the soccer World Cup will take place in France between those dates.

(Reuters, IHT)

Slam Dunk Is Dunked

BASKETBALL The NBA has decided to dump the slam dunk contest from this season's All-Star Weekend *in favor of a competition* involving male and female players dubbed the All-Star 2ball.

The All-Star 2ball, will be held on All-Star Saturday at Madison Square Garden on Feb. 7. It will be played by two-player teams on a half-court marked with six shooting locations. Each team will consist of players from NBA and WNBA teams in the same city. For example, one team will consist of Clyde Drexler of the Houston Rockets and Cynthia Cooper of the WNBA Houston Comets. *(AP)*

Australia Beats Kiwis

CRICKET Australia beat New Zealand by six wickets Wednesday in a World Series limited-overs match in Melbourne.

Ricky Ponting and Michael Bevan shared a stand worth 95 runs as Australia overhauled New Zealand's modest total of 141 with 11 overs to spare. *(Reuters)*

USC Fires Robinson

FOOTBALL John Robinson was dismissed Wednesday after his second tour of duty as Southern California's football coach and replaced by Paul Hackett, the Kansas City Chiefs offensive coordinator and a former Trojan assistant.

Robinson, 62, had a 104-35-4 record in 12 years as USC's coach — 1976-82 and 1993-97 — but the Trojans were a combined 12-11 in the last two seasons. *(AP)*

Pascal Pavani/Agence France-Presse

Katja Seizinger of Germany taking a curve in her downhill victory in Val D'Isere, France, on Wednesday.

Seizinger Takes 5th Straight Victory

The Associated Press

VAL D'ISERE, France — Katja Seizinger of Germany rallied in the second run Wednesday in a women's World Cup sprint downhill to gain her fifth consecutive victory.

It was the 33d triumph of her career, moving her into third place on the all-time list behind Anne-Marie Moser Proell of Austria (62) and Vreni Schneider of Switzerland (55).

Seizinger completed the two runs in an aggregate time of 2 minutes 1.82 seconds to beat her teammate, Hilde Gerg, by almost a half second. Gerg's time was 2:02.31. Ingeborg Helen Marken of Norway took third in 2:02.44. Marken led Seizinger by .02 seconds after the first run.

Seizinger had the fastest time on the second run, 1:00.21, besting Gerg's 1:00.69 and Marken's 1:00.85.

Seizinger has won five races in a row, three downhills and two super-Gs. Only Jean-Claude Killy of France has recorded a longer streak in World Cup competition, winning six men's races at the beginning of 1967.

Seizinger said she was not surprised to be trailing after the first run. "It was a very short and an easy downhill, and you

WORLD CUP SKIING

are not allowed to make any mistakes," Seizinger said. "I made some on the first run. The second run was a little better."

Seizinger said she did not like the sprint format, with its two short runs. "I abhor this type of race," she said. "I prefer the downhill from top to bottom. Here the bottom is pretty easy, and you have to do the same elements twice."

Wind and snow forced organizers to cut the course to a length of 1.71 kilometers (1.06 miles) and a drop of 510 meters (1,683 feet).

Picabo Street of the United States, making her first start in more than a year, *tied for tenth place in 2:03.85.*

"I felt great," Street said. "My goal today was to finish in the top ten, and I accomplished my goal. I'm extremely happy. I think I am a little bit surprised from the snow conditions that I was able to ski as well as I did. I was feeling better every run, changing things, fixing things, but I am really happy."

The American, a two-time winner of the World Cup downhill title and the 1996 women's world champion, tore ligaments in her left knee in a Dec. 4, 1996 crash during downhill training in Vail, Colorado. "There is no problem with the knee," Street said.

Skating 'Flutz' Puts Lipinski on Edge

Reuters

MUNICH — Tara Lipinski, the ice skating world champion, will be hoping the judges do not penalize her too severely for her "flutz" when she goes for a second successive Champions Series Final title this weekend.

The Texan became skating's youngest world champion at 14 in Lausanne, Switzerland, in March. This season, the growing pressure seems to be affecting her.

She finished second behind her arch-rival, Michelle Kwan, in Skate America and second to the French surprise Laetitia Hubert in the Trophee Lalique.

The technical problem with the so-called flutz may be the biggest hurdle for Lipinski to overcome.

It is a triple jump that starts out as a lutz, but because Lipinski has developed the habit of taking off from the inside edge of her skate rather than the outside edge, she turns the jump into a flip.

Lipinski said recently that she had been marked down by some judges because of the technical inaccuracy of the jump.

"I guess I'm a little confused or puzzled," she said. "I always knew I had a slight change of edge on the lutz, but I think I've improved a lot from last year."

Her coach, Richard Callaghan, said they had worked at eliminating the problem and asked that other skaters making the same mistake — including, he added, Kwan — be judged on the same terms.

Kwan is not competing in Munich because of a foot injury.

In her absence, Lipinski's main rivals should be either Tanja Szewczenko of *Germany or Maria Butyrskaya of Russia.*

Szewczenko, who has suffered injury and illness the last two seasons, proved she was healthy again by winning her two World Series events, the Nations Cup and the NHK Trophy.

The other three finalists are Hubert — Kwan's replacement — and the Russians Irina Slutskaya and Elena Sokolova.

The men's events include Elvis Stojko of Canada, the men's world champion; Todd Eldredge, the former world champion from the United States; and Alexei Yagudin, Ilya Kulik and 15-year-old Evgeni Plushenko from Russia. Igor Pashkevitch, who used to skate for Russia but now represents Azerbaijan, completes the field.

The Olympic and world champions Oksana Gritshuk and Evgeny Platov appear still to rule the ice-dance event as they move toward a second successive Olympic title in February.

The Canadians Shae-Lynn Bourne and Victor Kraatz could challenge.

The German world champions Mandy Woetzel and Ingo Steuer head the five pairs, with chief opposition probably coming from the Russians Elena Berezhnaia and Anton Sikharulidze.

The European champions Andrei Bushkov and Marina Eltsova, forced out because of Bushkov's thigh injury, are replaced by Chen Xue and Zhao Hongbo of China.

German Teams Meet In the European Cup

Holder Dortmund Will Play Bayern Munich

Reuters

LONDON — Borussia Dortmund, which won the European Cup in Munich in May, will return to Olympic Stadium there when it faces another German team, Bayern Munich, in the quarterfinals of this season's competition.

The draw Wednesday for the three European Cup competitions paired the third German team, Bayer Leverkusen, with Real Madrid, the Spanish champion. Because Leverkusen qualified as one of the two best group runners-up, it must play the first leg at home, which is considered a disadvantage.

WORLD SOCCER ROUNDUP

Manchester United, the English champion, faces Monaco, the French champion. United has the advantage of playing the second match at its Old Trafford Stadium. Juventus, winner in 1996 and runner-up last season, faces Dynamo Kiev.

Munich, the current German champion, won by 2-0 in Dortmund in the Bundesliga earlier in the season.

"We had 10 men injured then," said Christian Hockenjos, Dortmund's managing director. "Things will be totally different."

Giovanni Trapattoni, the Bayern coach, said: "The draw is not especially good because we wanted to face a foreign club, even if they are all very strong. Both teams know each other very well, and it will be a hard match."

"We have no fear of the Bavarians," *said Stefan Reuter, the Dortmund captain.* "Though there isn't a lot of flair involved in a match against another German team."

Alex Ferguson, the United manager, said he was happy to face Monaco. "We have a great chance but shouldn't get carried away," he said.

Monaco leads the French league, but only 1,000 fans turned out for its last home game on Sunday. United's supporters should be in the majority in the 18,000 capacity Louis II Stadium.

"I think we've drawn the one club we did not want to play, especially as the first leg is at home," said Henri Biancheri, the Monaco sports director. "Last year we did not want Newcastle, but we still beat them."

Juventus, which also qualified as a *runner-up, must visit Kiev's 100,000-*capacity stadium for the second leg.

"Dynamo has a long winter break and its first official match should be against us on March 4," said Marcello Lippi, the Juventus coach. "However, I don't think there'll be go off cross-country skiing in the meantime; they're bound to play a few friendlies."

The UEFA Cup draw produced a repeat of last year's final when the holder, Schalke 04 of Germany, was paired with Inter Milan. Inter, which leads the Italian league, has won the UEFA Cup twice in the 1990s, but last season it lost on penalties to Schalke.

Giammaria Visconte di Modrone, vice president at Inter, said, "You never have revenge in sport, but this is good motivation for our players."

France began the competition with seven teams. Now only one remains, Auxerre, which faces Lazio of Italy.

Ajax, the runaway leader of the Dutch league, meets Spartak Moscow, while Aston Villa plays Spain's Atletico Madrid.

AFP

Uruguay's Diego Lopez, right, and Martin Rivas blocking South Africa's Mark Williams.

■ Czechs Rout UAE

The Czech Republic hammered the United Arab Emirates, 6-1, in Riyadh on Wednesday to reach the semi-finals of the Confederation Cup, Reuters reported from Riyadh.

The Czech Republic finished second in Group B behind Uruguay, which beat South Africa by 4-3 in a later match.

Even though the Czechs often appeared to be playing at walking pace, they had no trouble scoring after Mohamed Obaid scored an own goal *after 11 minutes.* Pavel Nedved scored twice and Vladimir Smicer three times.

In the second game, an injury-time goal by Christian Callejas gave Uruguay the victory.

Uruguay, which rested many of its first-choice player, led by 3-1 ahead with 23 minutes to play.

Helman Mkhalele and Pollen Ndlanya pulled South Africa level before Callejas scored the winner with a swerving shot.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	15	7	.682	—
Orlando	14	8	.667	—
New York	14	9	.609	1½
New Jersey	12	10	.545	3
Boston	10	12	.455	5
Washington	10	14	.417	6
Philadelphia	6	15	.286	8½

CENTRAL DIVISION

Atlanta	18	5	.783	—
Cleveland	15	7	.682	2½
Charlotte	14	7	.667	3
Indiana	14	8	.636	3½
Chicago	14	9	.609	4
Milwaukee	11	11	.500	6½
Detroit	11	13	.458	7½
Toronto	2	21	.087	16

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	13	7	.650	—
Utah	14	9	.609	½
San Antonio	13	10	.565	1½
Minnesota	9	13	.409	5
Vancouver	9	15	.375	6
Dallas	5	18	.217	9½
Denver	2	20	.091	12

PACIFIC DIVISION

Seattle	19	5	.792	—
L.A. Lakers	18	5	.783	½
Phoenix	13	8	.619	4½
Portland	13	9	.591	5
Sacramento	8	16	.333	11
Golden State	5	16	.238	12½
L.A. Clippers	4	20	.167	15

TUESDAY'S RESULTS

Utah 25 28 29 21—103
Miami 27 24 17 27— 95

U: Malone 11-21 7-12 29, Homacek 6-11 6-6 18; M: Hardaway 7-18 6-8 21, Austin 7-16 4-8 18. Rebounds—Utah 50 (Corr 7), Miami 47 (Brown 8). Assists—Utah 27 (Eisley 6), Miami 20 (Hardaway 11).

Phoenix 22 28 19 21— 90
Cleveland 27 28 18 30—103

P: McDyess 8-12 5-7 21, Nash 6-10 3-3 18; C: Kemp 6-17 9-14 21, Anderson 8-13 3-3 19. Rebounds—Phoenix 38 (McDyess 9), Cleveland 53 (Kemp 11). Assists—Phoenix 27 (Kidd 12), Cleveland 30 (Knight 12).

Detroit 16 24 18 20— 78
New York 27 18 24 14— 83

D: Gr.Williams 7-15 5-6 19, Rahim 4-7 4-4 12; N.Y.: Ewing 14-24 3-6 31, Ward 4-7 2-2 12. Rebounds—Detroit 55 (Gr.Williams 10), New York 46 (Ewing 10). Assists—Detroit 20 (Hill 6), New York 20 (Ward 6).

Los Angeles 24 30 24 21—109
Minnesota 24 17 27 28— 96

L.A.: Jones 13-20 1-1 22, Campbell 6-11 10-12 22; Mn: Garnett 8-16 5-8 21, Gugliotta 7-15 4-6 18. Rebounds—Los Angeles 53 (Horry, Jones, Bryant, Blount 6), Minnesota 58 (Garnett 18). Assists—Los Angeles 26 (Van Exel 14), Minnesota 23 (Garnett 5).

Vancouver 24 19 22 26— 91
Houston 32 34 23 32—121

V: Abdur-Rahim 7-14 4-7 18, Edwards 5-11 4-5 15; H: Willis 9-16 5-5 23, Drexler 9-15 1-1 22. Rebounds—Vancouver 49 (Chilcutt 8), Houston 49 (Bardley, Willis 10). Assists—Vancouver 15 (Daniels 4), Houston 28 (Drexler 10).

San Antonio 26 22 31 20— 99
Denver 13 16 30 26— 85

S.A.: Robinson 8-10 6-7 22, Duncan 9-11 2-4 20; D: Fortson 6-9 6-9 18, Washington 4-7 4-6 14. Rebounds—San Antonio 52 (Robinson 14), Denver 50 (Battie, Garrett 9). Assists—San Antonio 28 (Johnson 10), Denver 14 (B.Jackson 4).

Seattle 32 32 16 29—109
L.A. Clippers 28 25 20 21— 94

S: Payton 8-14 7-8 25, Ellis 8-14 4-4 23; L.A.: Barry 8-14 0-2 21, Wright 5-16 7-14 17. Rebounds—Seattle 48 (McIlvaine 9), Los Angeles 51 (Wright 14). Assists—Seattle 19 (Payton 6), Los Angeles 11 (Murray 5).

Dallas 22 20 25 25— 92
Golden State 23 26 23 31—103

D: Finley 11-30 2-2 26, Scott 8-19 2-2 19; V: Smith 13-22 2-3 28, Marshall 8-15 5-8 22. Rebounds—Dallas 58 (Green, Finley 10), Golden State 60 (Spencer 13). Assists—Dallas 20 (Finley 7), Golden State 30 (Bogues 9).

Portland 24 25 14 24— 87
Sacramento 24 20 24 26— 94

P: Sabonis 8-14 6-7 23, Rider 8-17 2-4 21; S: Williamson 10-12 6-7 26, Richmond 6-17 3-5 16. Rebounds—Portland 54 (Sabonis 8), Sacramento 58 (Stewart 15). Assists—Portland 19 (Anderson 7), Sacramento 17 (Williamson 6).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	23	9	0	46	98	58
Philadelphia	19	9	6	44	97	76
Washington	15	12	7	37	101	93
N.Y. Islanders	13	15	5	31	89	89
N.Y. Rangers	9	15	11	29	90	99
Florida	11	17	5	27	82	102
Tampa Bay	6	21	5	17	58	103

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	18	10	7	43	96	81
Montreal	18	13	4	40	103	88
Boston	16	12	5	37	86	84
Ottawa	14	16	4	32	84	80
Carolina	13	16	5	31	89	95
Buffalo	10	15	6	26	80	89

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	22	9	4	48	114	75
Detroit	19	9	6	44	111	85
St. Louis	20	12	3	43	101	81
Phoenix	13	14	6	32	88	92
Chicago	10	17	6	26	72	86
Toronto	10	16	5	25	67	84

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	18	8	9	45	105	88
Los Angeles	12	14	6	30	92	94
Anaheim	12	15	6	30	76	95
San Jose	13	18	3	29	87	98
Edmonton	11	16	7	29	82	101
Calgary	10	18	7	27	91	105
Vancouver	10	19	4	24	98	116

TUESDAY'S RESULTS

Tampa Bay 1 0 0 0—1
Pittsburgh 0 1 0 0—1

First Period: T-Zamuner 11 (Andersson) (ph). Second Period: P-Jagr 16 (Barnes, Hatcher) (pp). Third Period: None. Overtime: None. Shots on goal: T- 8-11-16-1—36. P- 4-12-3-1—20. Goalies: T-Puppa. P-Barrasso.

N.Y. Islanders 1 1 0 0—2
Washington 1 1 0 0—2

First Period: W-Oates 8 (Bondra, Simon) 2. New York, Czerkawski 3 (Smolinski, Lechance) Second Period: New York, Nemchinov 5, 4, W- Bulis 4 (Zednik, Johansson) Third Period: None. Overtime: None. Shots on goal: New York 11-9-6-1—27. W- 8-10-8-4—30. Goalies: New York, Soln. W-Kolzig.

Ottawa 0 1 0—1
Carolina 1 1 0—2

First Period: Carolina, Wesley 4, Second Period: Carolina, Emerson 10 (O'Neill, Burr) 2, O-Van Allen 3 (Kravchuk, Dackell) Third Period: None. Shots on goal: O- 6-15-7—28. Carolina 11-4-9—24. Goalies: O-Tugnutt. Carolina, Kidd.

N.Y. Rangers 2 0 1—3
New Jersey 1 2 1—4

First Period: New York, Leetch 7 (Sweeney) (pp), 2, New Jersey, Andreychuk 5 (Holik, S.Stevens) 3, New York, Karpovtsev 2, (pp). Second Period: N.J.-Bodger 5 (Elias, Andreychuk) 5, N.J.-Roisten 6 (Zelepukin, S.Stevens) Third Period: New York, K.Stevens 8 (Sweeney, LaFontaine) 7, N.J.-Souray 1 (Thomas, Gilmour) Shots on goal: New York 5-5-7—17. N.J.- 5-13-15—33. Goalies: New York, Muzzatti. N.J.-Brodeur.

Calcage 2 1 0 0—3
Calgary 1 1 1 1—4

First Period: C-Fleury 13 (Iginla) 2. C-Daze 12 (LaFlamme, Krivokrasov) 3, C-Sutter 1 (Dubinsky, Weinrich) Second Period: C-Amonte 13 (Zhamnov) 5, C-, Morris 4 (Fleury) Third Period: C-Hogland 5 (O'Sullivan, Iginla) Overtime: 7, C-Nylander 9 (Tkfov) Shots on goal: C- 8-10-10-2—30. C- 11-13-10-1—35. Goalies: C-Hackett. C-Tabaracci.

Detroit 0 1 0—1
San Jose 1 2 2—5

First Period: S.J.-Iafrate 1 (Rathje, Nichalls) (pp). Second Period: S.J.-Nolan 5 (Sturm, Craven) 3, D-Draper 7 (Knuble, Rouse) 4, S.J.-Friesen 15 (Ragnarsson) Third Period: S.J.-Marleau 6 (Lowry, Granato) 6, S.J.-Craven 7 (Ragnarsson) (shen). Shots on goal: D- 4-14-7—25. S.J.- 6-6-7—19. Goalies: D-Hodson. S.J.-Vernon.

CRICKET

WORLD SERIES CUP

AUSTRALIA VS. NEW ZEALAND

WEDNESDAY, IN MELBOURNE, AUSTRALIA

New Zealand 141 all out
Australia 142-4

Australia def. New Zealand by six wickets.

SOCCER

CONFEDERATIONS' CUP

GROUP A

STANDINGS: Brazil 7 points, Australia 4, Mexico 3, Saudi Arabia 3.

GROUP B

United Arab Emirates 1, Czech Republic 6
Uruguay 4, South Africa 3

STANDINGS: Uruguay 9, Czech Rep. 4, Utd Arab Emts 3, South Africa 1.

GERMAN FIRST DIVISION

Borussia Dortmund 3, Hertha Berlin 0

GERMAN CUP

QUARTERFINALS

KFC Uerdingen 0, VfB Stuttgart 4
FC Carl Zeiss Jena 1, MSV Duisburg 2

EUROPEAN CLUB CUPS

Quarter-final draws, made on Wednesday:

EUROPEAN CUP

Bayer Leverkusen v Real Madrid
Juventus v Dynamo Kiev
Bayern Munich v Borussia Dortmund
Monaco v Manchester United
First leg — March 4
Second leg — March 18

CUP WINNERS' CUP

Roda JC Kerkrade v Vicenza
Slavia Prague v VfB Stuttgart
AEK Athens v Lokomotiv Moscow
Real Betis v Chelsea
First leg — March 5
Second leg — March 19

UEFA CUP

Ajax Amsterdam v Spartak Moscow
Inter Milan v Schalke 04
Lazio v Auxerre
Atletico Madrid v Aston Villa
First leg — March 3
Second leg — March 17

SKIING

WORLD CUP

Leading results Wednesday from a women's World Cup downhill in Val d'Isere, France:

1, Katja Seizinger, Germany, 2 minutes 01.82 seconds (first leg 1:01.61/second leg 1:00.21); 2, Hilde Gerg, Germany, 2:02.31 (1:01.62/1:00.69); 3, Ingeborg Marken, Norway, 2:02.44 (1:01.59/1:00.85); 4, Melanie Suchet (France) 2:03.02 (1:01.74/1:01.28); 5, Regine Cavagnoud, France, 2:03.20 (1:01.76/1:01.45); 6, Carole Montillet, France, 2:03.44 (1:02.31/1:01.13); 7, Blanca Perez, Italy, 2:03.64 (1:02.29/1:01.35); 8, Renate Goetsch, Austria, 2:03.79 (1:02.16/1:01.63); 9, Laure Dalloz, France, 2:03.82 (1:02.34/1:01.48); 10, Picabo Street, U.S., 2:03.85 (1:02.34/1:01.51).

OVERALL STANDINGS (after 10 events): 1, Katja Seizinger, Germany, 160 points, 2, Hilde Gerg, Germany, 429, 3, Martina Ertl, Germany, 378, 4, Alexandra Meissnitzer, Austria, 352, 5, Isolde Kostner, Italy, 347, 6, Renate Goetschl, Austria, 281, 7, Deborah Compagnoni, Italy, 241, 8, Yiva Nowak, Sweden, 233, 9, Heidi Zurbriggen, Switzerland, 208, 10, Leila Piccard, France, 181.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM—Agreed terms with C Matt Walbeck on 1-year contract.

DETROIT—Agreed terms with INF Bill Ripken on minor-league contract.

KANSAS CITY—Named Tom Burgmeier bullpen coach.

MINNESOTA—Agreed terms with RHP Mike Morgan.

OAKLAND—Agreed terms with 1B-3B Mike Blowers and LHP Mike Mohler on 1-year contracts.

SEATTLE—Agreed terms with LHP Terry Fossas and INF Pat Listach on 1-year contracts. Designated OF Decomba Conner for assignment.

TEXAS—Agreed terms with RHP Terry Clark, OF Warren Newson, OF Lee Nornon, LHP Scott Watkins and INF Bret Barberie on minor-league contracts. Sold contract of RHP Keiichi Kojima to Chunichi Dragons, JCL.

TORONTO—Named Darren Balsley major league advance scout.

NATIONAL LEAGUE

FLORIDA—Acquired RHP Mark Johnson from Houston to complete Nov. 11 trade for Moises Alou.

ST. LOUIS—Agreed terms with LHP Ken Mercker on 2-year contract. Put INF Roberto Mejia on waivers for the purpose of his unconditional release.

SAN DIEGO—Agreed terms with RHP Pete Smith on 1-year contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DALLAS—Activated G Robert Pack. Put G Erick Strickland on injured list.

NEW JERSEY—Announced rights to G Reggie Williams.

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صكذا من الأهل

SPORTS

The Worst Confirmed: Rice's Knee Is Broken

Compiled by Our Staff From Dispatches

The Jerry Rice story grows more incredible by the day.

On Aug. 31, the opening day of the National Football League season, the 34-year-old Rice, who has caught more passes for more yards and more touchdowns than any other player in NFL history, tore two ligaments and damaged cartilage in his left knee. Doctors said the injury would end his season.

But it didn't. On Monday night, Rice returned and played in the San Francisco 49ers' 34-17 victory over the Denver Broncos. He caught three passes, one for 14 yards and a touchdown. But when Steve Atwater of the Broncos hit him hard on the touchdown catch, Rice fell hard on his left knee.

Tuesday, after a magnetic resonance imaging test, Rice and the 49ers learned how costly that fall was. Coach Steve Mariucci said the injury, first diagnosed as a bruise, turned out to be a broken kneecap that will probably need a screw or wire to hold it together.

He said Rice would miss the season's final regular-season game and the playoffs but would be ready for next season. Dr. Michael Dillingham, the 49ers' physician who had operated in September on the original injury, operated Tuesday on the new one. Mariucci said the broken kneecap was not related to the old injury, and seemed surprised by its severity.

The latest injury was a cruel twist for Rice, a diligent off-season trainer, who had never suffered a major injury in his 12 previous pro seasons. After his August injury, he removed the cast himself after two weeks, five days ahead of schedule. A week later, he disposed of his crutches and began to rehabilitate vigorously.

Mariucci said he felt bad about the latest injury. "It's very unfortunate," he said. "He was playing very well. He felt very good. After the play, he did get up slow, but that's when the fracture took place, when the knee hit the ground."

But Dr. Benjamin Shaffer, an orthopedic surgeon and director of sports medicine at Georgetown University Medical Center in Washington, said Rice's broken kneecap was "almost certainly" related to the September surgery.

In the standard surgical repair of such ligaments, Dr. Shaffer said, surgeons use a portion of the tendon below the knee, along with small pieces of bone from the lower leg bone and the kneecap, to rebuild and reattach the ligaments. Removal of a small piece of bone from the kneecap leaves the kneecap slightly weakened for at least three or four months, he said.

A fractured kneecap is "an uncommon but known complication" after ligament surgery of the type Rice had, said Dr. Shaffer. He said it occurred in less than 1 percent of such cases.

"Absolutely, this is a consequence," of the surgery, Dr. Shaffer said. "You wouldn't describe it as a coincidence."

Dr. Shaffer has not examined Rice, and the 49ers' team doctors were not available for comment on the exact procedure that was performed on Rice after his Aug. 31 injury. *(NYT, WP)*

Gerry Broome/The Associated Press

Carolina's Sami Kapanen taking flight as he tries to catch a fellow Finn, Janne Laukkanen of Ottawa.

Brodeur Is Cold, but Devils Stay Hot

New Jersey's Goalie Gives Up 3 Goals on 17 Shots, but It's Good Enough

The Associated Press

Even though Martin Brodeur had an off night, the New Jersey Devils kept winning.

The Devils beat the New York Rangers, 4-3, on Tuesday night for their sixth straight victory and 15th in 19 games. New Jersey won despite a subpar performance by Brodeur. The NHL's leading goalie came into the game with a 1.63 goals-against average. But he allowed three goals on only 17 shots by the Rangers. "I didn't feel sharp out there," Brodeur said.

The Rangers, meanwhile, continued to struggle as they started a three-game road trip. They have lost three straight and have won only once in the last 12 games. A rookie, Sheldon Souray, scored his first NHL goal with 4:58 to play to give the Devils the lead for good.

Penguins 1, Lightning 1 Tom Barrasso made 35 saves as Pittsburgh tied Tampa Bay, the NHL's worst road team. Jaromir Jagr scored midway through the second period to help the Penguins salvage a tie in their only home game in a 20-day stretch.

Islanders 2, Capitals 2 Tommy Salo stopped Peter Bondra's point-blank shot with 11 seconds left in regulation to force overtime, then stopped four more shots in the extra period to help the Islanders earn a tie in Washington.

Hurricanes 2, Senators 1 Nelson Emerson scored the game-winning goal as Carolina snapped a four-game winless streak. Emerson gave the Hurricanes a 2-0 lead early in the second period.

Flames 4, Blackhawks 3 Michael Nylander scored 3:42 into overtime to lead Calgary over visiting Chicago. It was the Flames' fourth straight victory overall, and their NHL-leading fourth overtime victory this season. The Flames, who trailed 3-1 at one point, also got goals from Jonas Hoglund, Theoren Fleury and Derek Morris. Eric Daze, Brent Sutter and Tony Amonte scored for Chicago.

Sharks 5, Red Wings 1 Al Iafrate scored his first goal in 11 months as San Jose extended its undefeated streak to five games. Iafrate missed the final 30 games of last season and the first 28 games of this season while recovering from back surgery. Mike Vernon, who helped lead the Red Wings to the Stanley Cup championship last season, made 24 saves for the Sharks.

NHL Roundup

Dean Smith Discovers It's Tough to Be a Fan

Tar Heels' Ex-Coach Still Visits the Office

By Paul Ensslin
Washington Post Service

CHAPEL HILL, North Carolina — Apparently not much has changed with the North Carolina basketball program since Dean Smith retired in October.

The Tar Heels, under their new coach, Bill Guthridge, are ranked No. 1 in the country, for the 72d time in history. And Smith still goes to work.

The man who put in countless 12-hour days and endured frequent film sessions during a 36-year coaching career just can't seem to completely walk away from the job.

Smith admitted Tuesday that there have been only five days since he announced his retirement Oct. 9 that he hasn't gone to his office in the arena that bears his name.

"I try to stay out of the way of the staff," he said during a news conference at which he was officially named Sports Illustrated's Sportsman of the Year for 1997. "Coach Guthridge lets me sit in on staff meetings and acts like he really wants to talk to me. That's nice.

"When the team goes down to the court to practice, I stay in the office and try to catch up on answering my mail. I try to pretend it's out of season and everyone has left early."

The secretary at the North Carolina basketball office, Linda Woods, said Smith received more than 1,200 pieces of mail when he broke the record for career Division I coaching victories (879) and said that another mammoth stack of letters has poured in since Smith retired.

"He's insisting that he's going to answer every one of them," Ms. Woods said. "We tried to convince him to write a form letter. But he said he wants to answer them personally. I don't know if he'll ever get it done."

Said Smith: "I only have 1,742 letters left to go. I answered eight this morning." Although he said he was happy with his decision to step down, Smith added that he is struggling to adapt to retirement. He went to the beach and thought about the Tar Heels while they were playing in Alaska. His visited his grandchildren and still thought about the Tar Heels.

"My thoughts are with the team constantly," he said. "I so much want them to do well."

The hardest part of retirement? Being a fan.

To avoid being a spectacle or overshadowing his former team, Smith attends only those North Carolina games that are not televised. The others he watches with his wife, Linnea, at home.

Good thing, said Linnea Smith.

"He's really having a hard time with watching the games," she said. "He's never had the fan's perspective. He's used to having control over the action. Now he can't control what happens. He told me he can now relate to fans who say their cardiologist won't let them watch games because it's bad for their heart."

Said Dean Smith: "I find myself yelling all the time, at the players, into the TV screen. My heart beats a little faster now. I never used to get this excited on the bench. It's really a hard adjustment. It's like I'm watching a tape and I can't rewind it."

With the Tar Heels (11-0), who beat Hampton 92-69 Tuesday night, ranked No. 1 in the United States, there's a lot for Smith to be excited about. He said Guthridge, his longtime assistant, had done a "fabulous job."

As fabulous a job as Smith would be doing? "I don't want to say anything," he said, laughing. "It's like that joke Jim Valvano [the former North Carolina State coach] used to tell: He could have a team that was 32-0 and somebody would say, 'Just think how good it would be if Dean Smith were the coach.'"

Kemp, a 'Man Among Boys,' Carries Cavaliers

The Associated Press

When Shawn Kemp left the court late in the third quarter he was shooting poorly, saddled with four fouls and stymied by Phoenix's sagging defense.

That all changed late in the game. Kemp broke loose for nine points in the final four minutes, helping the Cleveland Cavaliers beat the Suns, 103-90, in Cleveland on Tuesday night.

Kemp finished with 21 points and 11 rebounds as the Cavaliers won for the 11th time in 12 games.

"He was a man among boys," the Suns' coach, Danny Ainge, said.

Derek Anderson scored 19 points and started a decisive 13-0 run in the fourth quarter. He made a pretty pass to set up a three-point play by Kemp, and the pair hopped up and down to celebrate.

"I think we needed someone to step up and give an energy spark," Anderson said.

Kemp was just 3-for-13 from the field when he picked up his fourth foul with 3:30 left in the third quarter.

Lakers 109, Timberwolves 96 Los Angeles began a five-game road trip with its third straight victory, and Eddie Jones scored 32 points as the Lakers improved to 12-0 against Midwest Division teams.

Elden Campbell added 22 points for Los Angeles. Once again playing in place of the injured Shaquille O'Neal, Campbell took over inside after Minnesota center Stanley Roberts got in early foul trouble.

Warriors 103, Mavericks 92 Joe Smith scored a season-high 28 points and Donyell Marshall had 22, giving Golden State its first two-game winning streak of the season.

The Warriors, 4-3 since Latrell Sprewell was suspended, were 1-13 with the star to start the season.

Dallas lost its sixth straight game. The Mavericks are 1-6 under Don Nelson, a former Warrior coach.

Jazz 103, Heat 95 John Stockton played a season-high 27 minutes and sparked Utah's 10-0 run at the start of the third quarter at Miami.

Stockton, who missed the first 18 games of the season after knee surgery, finished with 14 points. The Jazz led, 53-51, at halftime before Stockton hit a jumper, stole the ball for a breakaway layup and fed Jeff Hornacek for a basket.

Knicks 83, Pistons 78 Patrick Ewing scored 31 points and made New York's only two baskets in the final 6½ minutes.

The Knicks won their ninth in a row at Madison Square Garden, where they have not lost since dropping the season opener to Detroit.

New York led, 75-58, early in the fourth quarter and held on behind Ewing. He became the 17th player in NBA history to score 22,000 career points.

Rockets 118, Grizzlies 91 Clyde Drexler's 22 points, 10 assists and five steals led Houston to victory over visiting Vancouver.

Drexler moved past Alvin Robertson into fourth place on the NBA career list with 2,115 steals. Kevin Willis added 23 points and 10 rebounds for Houston, which lost to the Grizzlies last Sunday.

SuperSonics 109, Clippers 94 Gary Payton scored 25 points and Dale Ellis had a season-high 23 to lead Seattle to its fourth straight victory.

The Sonics own the NBA's best record at 19-5. They beat the Clippers on Sunday in Seattle.

Spurs 99, Nuggets 85 David Robinson had 22 points and 14 rebounds as San Antonio stopped a four-game road losing streak.

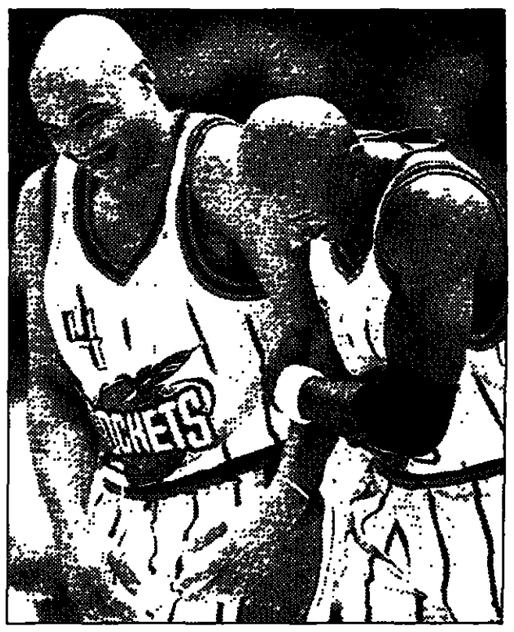
Tim Duncan had 20 points and eight rebounds for the Spurs, who led 48-29 at halftime.

Denver shot a season-low 35 percent from the field and lost its fifth straight game.

Kings 94, Trail Blazers 87 Corliss Williamson scored 26 points and led an 18-4 burst at the start of the third quarter as Sacramento beat Portland.

Michael Stewart had 15 rebounds, including 11 in the third period. The Kings limited the visiting Trail Blazers to just one field goal in the first 9:10 of the quarter.

NBA Roundup



Adrees A. Latif/Reuters

Houston's Charles Barkley, left, and Clyde Drexler laughing over a layup Drexler blew on a 22-point night.

DENNIS THE MENACE

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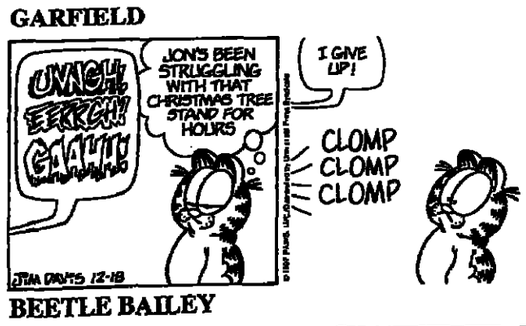
PEANUTS

CALVIN AND HOBBES

GARFIELD



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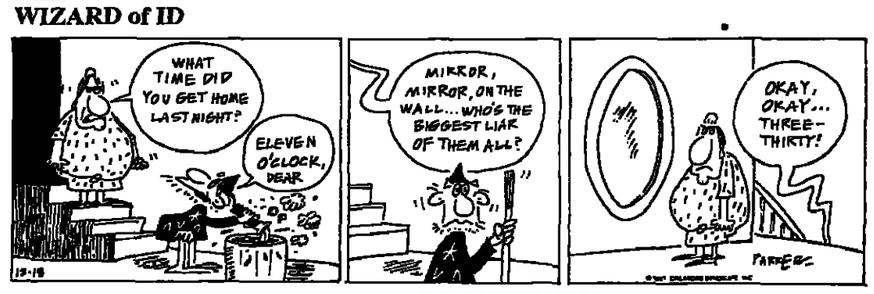

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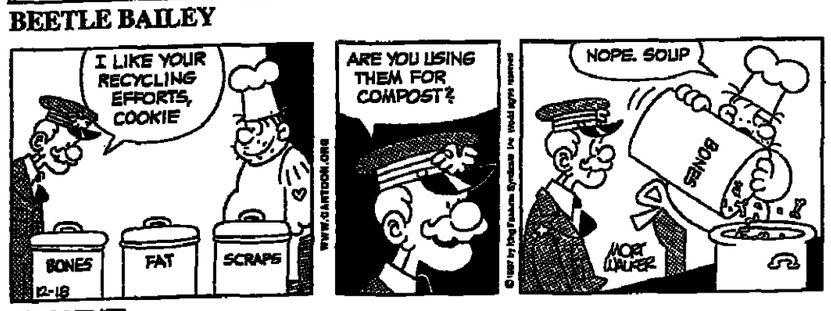

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ART BUCHWALD

The First Dog in Politics

WASHINGTON — This is the last column I'm going to write about Bill Clinton's dog.

President Clinton has named his Labrador pup Buddy, after a beloved uncle. It is no coincidence that the president got the Lab the same day he announced the threat of global warming.

Buchwald

There are many theories as to why the president would adopt a Labrador at this time. The most prevalent is that politically, a dog is much more acceptable to the voting public than a cat.

Dog owners are younger, more affluent and better-educated than cat owners. This is not to say a president who lives in a home as large as the White House can't have both a dog and a cat — a dog to play with and a cat to rub his leg.

□

What the president has done, and we have to assume he did it purposely, is change the White House social scene. In the past, Socks the cat sat on a cushion and stared in boredom when heads of state came to visit.

But now all of this will change. Buddy will bark and tug on the seats of VIPs, presidents, premiers and kings. They will have to pretend they find it amusing when in fact they will try to figure out what message the president is sending by allowing his dog to wander under the tables during a state dinner.

There is another problem that has to be addressed. Who will walk Buddy — President Clinton or Hillary? And will the Secret Service be required to carry the scooper?

□

As a dog lover, I approve of Clinton's adopting this pup. The reason the people admired President Franklin D. Roosevelt so much is because he had a dog named Fala, and every time the Republicans started picking on him, he told the electorate that they were really picking on his dog.

Don't be surprised if Clinton adopts the same tactic. I am not saying he got the dog for that reason. But in politics you have to use anything you can. I'm predicting that Buddy will also be used to raise money for the Democratic Party. A $10,000-a-plate dinner at the Waldorf to honor the Lab of the Year is not out of the ballpark.

So let's face it — the president in his second term finally wised up to what the public really wants — a pet they can identify with and one to which they can transfer all their affection.

It's no story if the dog bites Janet Reno. But it will be big news if Janet Reno bites the dog.

High in the Alps, Color It Gold

Agence France-Presse

VIENNA — Two Austrian artists are planning to cover Austria's highest peak, the Grossglockner, with 10 kilograms (22 pounds) of gold leaf, much to the displeasure of an organization for the protection of the Alps.

Rudi Holdhaus and Josef Pulferer want to cover the 12,470-foot (3,800-meter) peak in Tirol in August. They need government approval.

Lion Prince Mixes Broadway and Homework

By Felicia R. Lee
New York Times Service

NEW YORK — Scott Irby-Ranniar is laid out flat, clutching his Gameboy and playing a furious game that he refuses to interrupt even when a reporter strolls into his dressing room. "Oh, no," he shouts as he desperately manipulates buttons on the game. He dies. He rises again. He moves to a new level — all in the computer realm, mind you.

He still doesn't look up from the green cot in the messy little green and yellow cave, a warren of just barely adolescent masculinity as evidenced by the combination of personal care products and toys.

It's backstage at the New Amsterdam Theatre in Times Square, where Irby-Ranniar, a 13-year-old eighth grader, enchants audiences daily as Young Simba in "The Lion King."

"What should I do?" he asked finally, looking up at the reporter.

"Are you supposed to ask me questions or do I just talk?"

He's a little tired, it turns out, a tad nervous and seemingly guileless.

During the one-hour interview he returns to the game sporadically, shows off a remote-control car and a toy gun, sprays lotion in his hair, then impulsively rinses it out.

He's not at all reluctant to chat. He volunteers that Robin Williams is his favorite actor, that "The Game" was his favorite movie this year and that he plans to adopt a cat.

He lives in a Harlem apartment with his mother, Linda, a single parent who works at Citibank ("I'm not exactly sure what she does") and his 15-year-old brother, Todd. His hobbies include soccer, cartooning and rap music.

There is rap playing on the big radio-CD player in the dressing room, and he plays with the volume. Loud then soft, then very, very loud. He asks the reporter and photographer about music from the olden days (the '70s), and seems amused that they remember so far back.

If there is one thing he wants people to know about him, it's that "I'm normal," he said. "I'm not some stuck-up kid in a show."

It is "embarrassing" he said, when his classmates and teachers mention the show or articles about himself.

He does not like interviews. "All those questions," he said. "Why do people want to know all those things about me?" At one point, he playfully grabbed a reporter's notebook and started asking questions in a mock television anchor voice.

Irby-Ranniar is charming. Wearing oversize blue jeans and big shoes, with closely cropped brown curls and lively brown eyes, he is small for his age. Like so many children who have been working for some years, even at something they love, he has a slightly weary, watchful quality, a touch of ennui to his persona that is part of an overall impression of intelligence, restlessness and humor.

"I've been acting since I was 6," he explained. "I started Harbor Conservatory" — an East Harlem performing arts program for students ages 4 to 18 — "to have something to do, to pass the time. I never thought it'd lead up to this."

"This" is the thus-far spectacular success of "The Lion King," which is based on the Disney film of the same name. It opened on Broadway on Nov. 13 and was hailed for its singularly fresh animal puppets, stunning sets and African music. Irby-Ranniar in particular was singled out. Ben Brantley wrote in The New York Times that his performance as Young Simba is "a most convincing portrait of impetuous, conflicted youth," and that it "strikes a spontaneous human chord that invites emotional engagement."

Sara Krulwich/The New York Times
Scott Irby-Ranniar, 13, being made up for his role in "The Lion King."

Irby-Ranniar plays a restless lion cub whose impetuous behavior leads to his father's death and eventually to his own epiphany and salvation when he triumphs over his evil uncle, Scar. Irby-Ranniar looks as though he is having the time of his life on that sumptuous stage.

Mark Brandon, of Binder Casting, the agency that cast Irby-Ranniar as Young Simba, described him as a "triple threat" singer, dancer and actor who stood out among the hundreds of children auditioning. "It's not an easy thing to come by," Brandon said. "There's some training behind it, but a lot of it is natural ability."

"I don't act like a lion," Irby-Ranniar said of his method, a touch of indignation in his voice. "I try to act like a regular kid. You try to keep the aspect that you're a kid in mind."

His typical day, though, belies his repeated claims to being just one of the guys. He gets up at 6 A.M., attends school at Manhattan East from 8 until 2:30, goes home to do some homework, then heads to the New Amsterdam Theatre to get into his wig and makeup. He's not home until midnight, where he does more homework, so bedtime is pushed back until 2 A.M. He does eight shows a week.

When does he have fun?

"I don't," he said flippantly. Then, "I do this," meaning his electronic game. "This is really fun to do," he said. "I don't have time to do anything besides the show.

"I don't know if I'll pursue acting," he added. "That's one thing I'm trying to figure out. You don't get to see your friends a lot. It's work 24 hours a day."

The work is also the good part, he said. He has appeared on television in "Reading Rainbow" and "Sesame Street" and made a commercial for the United Negro College Fund. His theatrical credits include roles in the Harbor Conservatory productions of "The Wiz" and "Aladdin." He also had roles in Juilliard School productions of "Starstruck" and "How to Raise a Grownup" and the Andrew Lloyd Webber production of "Whistle Down the Wind."

"You get to be on stage and do what you like to do," Irby-Ranniar said. "But if I did this all my life I'd miss my childhood. I like when people laugh and when they clap for me. I like to see people enjoy what I'm doing up there.

"My favorite part of the show is where my father shows me the stars and says the great kings from the past are up there and will always be with you. I like being with Sam Wright, who plays Mufasa. He's a good guy and he's really cool."

As for that onstage romance with Nala, the little lioness to whom he is betrothed. . .

"Acting, all acting," he said.

MOVIES

The Strange Case of 'Little Tree' and the Bigot

By Bernard Weinraub
New York Times Service

LOS ANGELES — Can "The Education of Little Tree" overcome its origins?

The movie, adapted from a best-seller published in 1976 and reprinted in 1986, is a sensitive memoir about a Cherokee orphan's childhood in the backwoods of East Tennessee in 1935. The author was Forrest Carter, who described himself in the years before he died in 1979 as a Cherokee cowboy, dishwasher and ranch hand and self-taught writer.

But Carter's background was a hoax. Several accounts state that he was really Asa Carter, Ku Klux Klan member, violent white supremacist, anti-Semite and author of some of the most inflammatory speeches by former Governor George Wallace of Alabama, including the 1963 inaugural address in which he vowed: "Segregation now! Segregation tomorrow! Segregation forever!"

The film, which opens in the United States this month, is being released by Paramount and was adapted and directed by Richard Friedenberg, who wrote the screenplay for "A River Runs Through It." "Little Tree" cost about $8.5 million, a pittance by studio standards. The most noted members of the cast are James Cromwell ("Babe," "L.A. Confidential") and Graham Greene ("Dances With Wolves," "Thunderheart"). In the film, the 8-year-old part-Cherokee orphan, played by Joseph Ashton, leaves his mother's family in a hardscrabble mining town to live as an Indian with his paternal grandparents in the backwoods. There he comes to understand the wonders of nature and the wisdom of the Cherokee way. In the process, the child encounters cruelty, venal politicians and state officials who look down on Indians.

The story is a sensitive memoir about a Cherokee orphan's childhood in East Tennessee in 1935.

What impact the author's segregationist past will have on the film's release remains unclear. "Here was a guy," said Friedenberg, "who did bad things, disappeared off the face of the earth in Alabama, where he was a Ku Kluxer, and reappeared in the Oklahoma-Texas area near the Cherokee reservation of the western Cherokee nation, where he proceeded to write several books. It strikes me he spent his literary life, and whoever he was in his second phase, in some kind of grand apology for his first life. Of course, this is my take. No one knows the absolute truth."

Others, however, have written that Carter seemed an unrepentant bigot, even at the end of his life. In 1992, a scathing article in Texas Monthly depicted him as a con man who reinvented himself as a New Age wise man and was, essentially, the same segregationist in his final years as he was earlier.

Asa Carter was described as a bigot who helped organize a vicious paramilitary unit, called the Original Ku Klux Klan of the Confederacy, in the 1950s, and for almost 30 years spewed out racist and anti-Semitic pamphlets.

The charge was not entirely new. In 1976, a New York Times article raised the question of whether Forrest Carter was actually Asa Carter. That year, Carter's book, "The Rebel Outlaw: Josey Wales," had been turned into a Clint Eastwood western, "The Outlaw Josey Wales."

Eleanor Friede, whose imprint at Delacorte Press published the book in 1976, denied that Carter was a bigot and racist. "He was definitely a segregationist, but so was most of the nation at the time, certainly the state of Alabama," she said in a telephone interview. "But he was not a member of the Ku Klux Klan. I honestly don't see the point of all this nasty gossip dragged out years ago."

Rereleased in paperback in 1986, the little-known book sold only 2,000 copies in its first year. But in its second year those sales doubled. And then, largely by word of mouth, sales skyocketed and reached 600,000 copies.

In 1991, it was No. 1 on the paperback best-seller list of The New York Times for weeks. The disclosure of the author's dual identities prompted The New York Times Book Review to shift "Little Tree" from its nonfiction list to the fiction list.

Although many high-powered filmmakers, including Steven Spielberg and the former producing partnership of Peter Guber and Jon Peters, had expressed interest in the book as a movie, the revelations about Carter chilled their eagerness. But one producer, Jake Eberts, who was involved in financing or production of such movies as "The Howling," "Chariots of Fire," "The Killing Fields," "Dances With Wolves" and "City of Joy," said the author's background was not relevant. "It's a beautiful story," he said in a telephone interview. "I was more interested in the story than the author's background. Furthermore, when discussing the book with Indian friends, they adored it and could care less about the supposed background of the author."

Friedenberg said he found it perplexing and almost impossible to understand Carter's motives and literary ambitions. Although Carter, who wrote four books, failed to address the issue of his bigotry publicly, Friedenberg said he believed that "his apology was in his literature." For example, he said, the handful of blacks and Jews in his books are depicted sympathetically. "The bad guys are, almost without fail, rich whites, politicians and phony preachers," Friedenberg said.

With the revelations about Carter, however, the author's themes — which include the evils of intrusive government and organized religion — may not be all that far from some of the views he held in the 1950s and '60s.

Friedenberg said his nervousness about the release of "The Education of Little Tree" was not limited to the uproar about Carter. The film is receiving a limited release by Paramount at the same time that the studio is distributing "Titanic."

"It's tough enough going against 25 films opening in December," Friedenberg said. "But going against 'Titanic' — sure, it concerns me."

PEOPLE

THE Paul Simon musical, "The Capeman," has been put on hold for nearly three weeks while new material is added and extra rehearsals run. The $11 million Broadway show will open Jan. 29 instead of Jan. 8 at the Marquis Theatre, a show spokesman said. "The Capeman," for which Simon wrote the music and co-wrote the book and lyrics, stars **Ruben Blades, Marc Anthony** and **Ednita Nazario.** It tells the story of **Salvador Agron,** who stabbed two teenagers to death in 1959 in the Manhattan neighborhood known as Hell's Kitchen.

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Prince Charles has taken on three of the charities dropped by **Diana, Princess of Wales.** The Mirror newspaper reported that Charles said he had become the patron of Help the Aged when he visited a day center for pensioners in London. He has also taken on the Welsh National Opera and the Guinness Trust, which helps the homeless. They were among 90 charities dropped by Diana in 1996 after her divorce from Charles.

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They paid $25 to see **The Platters, The Drifters** and **The Coasters.** Instead, a New Jersey couple claims, they were served up impostors passing themselves off as the real rock 'n' roll legends. A lawsuit filed by **Christopher** and **Delores Wilhelms** says the groups that played Harrah's Casino Hotel in Atlantic City, New Jersey, in October featured no performers associated with the "unique and original sounds" of the groups. The suit was filed by the Wilhelmses on behalf of 25,000 people who attended the shows, and their lawyer said he would seek more than $2 million in damages.

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Puccini's "Turandot" will be performed for the first time where the composer set it, the Forbidden City of Beijing. Directing the production will be the film director **Zhang Yimou** ("Raise the Red Lantern," "Shanghai Triad"). **Zubin Mehta** will conduct the eight performances, starting in September.

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Soon it will be possible to set foot where no tourist has gone before: aboard an $8.5 million version of the Starship Enterprise of the television and film series "Star Trek." In Dusseldorf, **William Shatner,** better known as Captain James Kirk, commander of the Enterprise, announced that the Enterprise was about to embark on a five-year journey across planet Earth. Shatner and **Hermann Zimmermann,** the chief designer for the films, said the new Enterprise was built in Bavaria. The Star Trek World Tour is to begin next year in Dusseldorf, from June 20 to July 25, and proceed to London; Milan; Vienna; Stockholm; Vancouver, British Columbia; Tokyo; Osaka; Seoul; Singapore, Sydney and Melbourne. An hourlong tour of the ship, including an attack by extraterrestrials, will cost $25.

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The actress **Julianne Moore** has given birth to her first baby, a boy. Moore, who was featured in "Boogie Nights," had the baby on Dec. 4. The father is Moore's boyfriend, the writer and director **Bart Freundlich.**

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Edward Asner is returning to the news business. Asner, who played a television news producer on "The Mary Tyler Moore Show" and a newspaper editor on "Lou Grant," will move to the top of the masthead when "Ask Harriet" appears on the Fox network in January. Asner will portray a newspaper owner on the show, about a macho sportswriter played by **Anthony Tyler Quinn,** who takes on a woman's identity to write advice to the lovelorn.

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Tom Hanks has signed an agreement with Universal Pictures to produce movies along with the veteran producer **Gary Goetzman.** Hanks, who was named best actor for "Philadelphia" and "Forrest Gump," also appeared in Universal's "Apollo 13." His debut as a producer, "Saving Private Ryan," directed by **Steven Spielberg,** comes out in 1998. Hanks made his debut as a director last year with "That Thing You Do," which he also starred in and produced with Goetzman.

E.J. Flynn/The Associated Press
MOUSING AROUND — The actor Nathan Lane with Jenny, his co-star in the movie "Mouse Hunt," at the DreamWorks film's premiere in Los Angeles.

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